Par. 8.2.1.1.52
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Tuesday,
2nd December, 1952

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Tuesday, 2nd December, 1952

The House met at a Quarter to Eleven of the Clock.

[MR. CHAIRMAN (SHRI HARI VINAYAK PATASKAR) *in the Chair*]

MEMBER SWORN

Shri Mulme Yeshwantrao Martandrao

(Thana—Reserved—Scheduled Tribes.)

ORAL ANSWERS TO QUESTIONS

WASTE SULPHUROUS GASES

*821. **Sardar Hukam Singh:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any efforts have been made for the utilisation of waste sulphurous gases at copper production works; and

(b) if so, whether any scheme has been evolved for making use of this waste?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). The question of the utilisation of waste sulphurous gases at the works of the Indian Copper Corporation has been investigated with the assistance of an expert obtained from the U.S.A. under the Point Four Programme. A scheme to convert the waste gases into sulphuric acid is being formulated by the Company in consultation with their own expert from the U.K. and Government are awaiting the results of the investigation.

Sardar Hukam Singh: How long is the formal finalisation of this scheme likely to take?

Shri T. T. Krishnamachari: Sir, I am unable to give any precise date for the reason that it is for the company to decide whether it will be in a position to undertake the financial commitment that adoption of this scheme will entail.

Sardar Hukam Singh: What was the estimated waste per day of sulphur during the last four years, or at least during the past one year?

Shri T. T. Krishnamachari: I cannot give the estimated waste per day during the last four years. But as at present estimated the waste is supposed to be about 35 tons of sulphur per day, out of which 27 tons are lost in the atmosphere and 7 tons are lost in tailings from the concentration plant.

Sardar Hukam Singh: Has the expert invited under President Truman's Point Four Programme, as has been said by the hon. Minister, suggested any concrete proposals, and what amount of this waste shall we be able to recover according to his conclusions?

Shri T. T. Krishnamachari: Sir, the expert, Mr. Hillburn, was invited generally to advise us on utilising local raw material for the production of sulphur, and his investigation of utilisation of waste gases from the Indian Copper Corporation plant at Gatsila was incidental to it. He had made certain suggestions that these waste gases could be converted into sulphuric acid and perhaps might be utilised in the Tata Plant which is not very far away. But it happens that the Tata Company have their own scheme for manufacture of sulphuric acid and until they are assured that utilisation of these gases was cheaper than their plan, they were not interested in it. We have not gone very far into the matter so as to be able to estimate the cost.

Sardar Hukam Singh: May I know whether the industry's own experts have scrutinised the proposals put forward by this expert?

Shri T. T. Krishnamachari: Yes, Sir I do not know if he scrutinised Mr. Hillburn's proposal, but their own expert is advising them on this matter.

Shri A. C. Guha: May I know if the Government have made any calculation as to the amount of sulphuric acid that might be manufactured out of sulphurous gases at Gatsila Copper works?

Shri T. T. Krishnamachari: The experts have not given us any definite figures, though they say the recovery might be appreciable in quantity.

Shri A. C. Guha: Have they made any calculation as to whether cost would be economical?

Shri T. T. Krishnamachari: That is precisely the matter in dispute. If we could tell the Tata Company that the cost of recovery of sulphuric acid from the sulphurous gases would be cheaper than their producing sulphuric acid themselves, perhaps we might be able to interest them in this proposition.

Shri B. S. Murthy: When was this investigation taken up and how long will it take?

Shri T. T. Krishnamachari: The investigation by the expert under the Point Four Programme, as I said was incidental. It was sometime in the latter half of 1951. Investigation by the company's own expert, is a matter about which I cannot give any information.

Shri A. C. Guha: In view [illegible] the extreme importance and scarcity of this particular material, may I know if the Government is pegging their entire scheme on the economic aspect of the matter, or whether they are going to take up the scheme, even if the cost might be somewhat higher?

Shri T. T. Krishnamachari: There are a lot of hypothetical premises in the question that was framed by the hon. member. The hon. member will understand that when a layman like myself is able to give so much information, Government have gone into it fairly thoroughly and Government are really interested in this matter. There are certain limitations which, the hon. member will understand, make it not possible for us to go ahead.

COMPENSATION FOR PROPERTIES LEFT IN PAKISTAN

***822. Sardar Hukam Singh:** Will the Minister of Rehabilitation be pleased to state:

(a) whether the quantum of compensation and mode of payment to displaced persons for their properties left behind have been determined by now; and

(b) if so, what percentage of the claim verified would the displaced persons get?

The Minister of Rehabilitation (Shri A. P. Jain): (a) and (b). The scheme for compensation is under preparation. The percentage of the claim which would be given as compensation cannot be stated at present.

Sardar Hukam Singh: May I know whether the sources from which compensation is to be given have been settled and finalised?

Shri A. P. Jain: The whole scheme is under consideration.

Sardar Hukam Singh: May I know whether the Inter-State Conference made any recommendation and whether they have been considered by Government?

Shri A. P. Jain: They have made recommendations, but those recommendations cannot be made public.

Sardar Hukam Singh: May I know whether the offer or decision, conveyed by Shri Gopalaswami Ayyangar in a Conference in 1949 that the Central Government propose to make a contribution stands?

Shri A. P. Jain: Whatever commitments have been made, they stand, unless they are revoked.

Shri Gidwani: Before the scheme is finalised will it be placed before the members of the Tek Chand Committee and of the representatives of displaced persons?

Shri A. P. Jain: It will not be placed before the representatives of displaced persons.

Sardar Hukam Singh: May I know whether any reply has been received from Pakistan on the reference that we made to that country?

Shri A. P. Jain: Not so far.

PROGRAMME MATERIAL FOR FOREIGN BROADCASTING ORGANISATIONS

***823. Sardar Hukam Singh:** (a) Will the Minister of Information and Broadcasting be pleased to state whether any requests from foreign broadcasting organisations for supply of programme material and recordings from A.I.R. for use in their Home Services were received during 1951-52?

(b) If so, from what countries were such requests received and what material was supplied to them?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Yes, Sir.

(b) A statement giving the required information is placed on the Table of the House. [See Appendix V, annexure No. 1.]

Sardar Hukam Singh: May I know whether the requests received from all the countries have been met, or recordings have been supplied only to a few countries?

Dr. Keskar: Most broadcasting organisations have an agreement among themselves to exchange programmes. It is a question which is mutually decided upon. it is not a question of somebody making a request and our refusing it. Generally there is very little cause for refusal to supply our programmes. We readily agree to supply our programmes, if a request is made for it.

Sardar Hukam Singh: Is there any decision to exchange programmes regularly with other countries, or is the arrangement only for a specified period?

Dr. Keskar: There is no such regular agreement. From time to time various broadcasting organisations request us that they would like to have an exchange of programmes regarding music or some talks. Generally it is agreed upon. It is not a subject on which there is much scope for disagreement or divergence.

Sardar Hukam Singh: Have we requested for some recordings from other countries in exchange?

Dr. Keskar: Yes, Sir.

Sardar Hukam Singh: Which are those countries?

Dr. Keskar: From the countries referred to in the statement we have got exchange of recordings of music etc. Over and above those, there is an understanding with Netherlands, Canada. Australia, Germany, Sweden, Syria. Iran, Afghanistan Burma and Indonesia for exchange of recordings.

MODERNISATION OF JUTE MILLS

***824. Dr. Ram Subhag Singh:** (a) **Will the Minister of Commerce and Industry be pleased to refer to the answer to parts (c) and (d) of starred question No. 1676 asked on the 11th July 1952 and state whether schemes for the modernisation of jute mills in India have now been formulated?**

(b) If so, how long would it take to have the jute industry completely modernized?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) No, Sir.

(b) Does not arise.

Dr. Ram Subhag Singh: Has it been found by Government that a substantial part of the existing machinery and plant of the jute industry requires replacement?

Shri T. T. Krishnamachari: That is the information that Government have.

Dr. Ram Subhag Singh: Has Government any idea as to what amount of finance would be necessary for replacing that machinery and plant?

Shri T. T. Krishnamachari: This question was answered on a previous occasion during the last session. And estimates vary from anything between Rs. 120 crores to about Rs. 70 crores.

Shri A. C. Guha: Is it not true that the jute factories that the Continental countries have set up recently have been producing jute at a lesser cost than ours because of the old and obsolete pattern of our machinery?

Shri T. T. Krishnamachari: That is the information that Government have.

Shri T. N. Singh: Is it true that the cost of production of jute goods is comparatively higher in India, and if so, what steps do Government propose to take to reduce the cost of production. in respect of improved machinery etc?

Shri T. T. Krishnamachari: It is a relative question. In India the cost is high merely because the machinery is out of date and requires more manpower to manipulate it. We are told that if modern machinery is installed there will be a saving of nearly 30 per cent. in regard to labour charges. Certain mills have modernised plant, but they are a very small number. The question of modernising the plant was being considered by the Planning Commission and is being discussed with the industry. The Government have also got to consider the other aspect, of reduction of the labour employed.

Shri Sarangadhar Das: In view of the fact that very modern mills are being set up in Europe and also in America, as far as I know. does Government feel that the jute goods manufactured in India will not be so much in demand and that our jute mills may have to be closed down in the very near future?

Shri T. T. Krishnamachari: It is always there, Sir. Somebody can manufacture cheaper than we can. They will compete with us. And that is what is happening—Continental factories are competing with Indian mills in the markets of the world.

REHABILITATION LOAN TO WEST BENGAL GOVERNMENT

***825. Dr. Ram Subhag Singh:** Will the Minister of Rehabilitation be pleased to state what is the amount of the loan given to the Government of West Bengal by the Government of India during the current financial year for the purpose of rehabilitating displaced persons from East Bengal?

The Minister of Rehabilitation (Shri A. P. Jain): Rs. 2,49,40,350 upto 31st October, 1952.

Dr. Ram Subhag Singh: May I know how this loan is going to be utilised—for what purposes?

Shri A. P. Jain: Education Rs. 3, 14,000, Housing (Rural) Rs. 53,51,225 Housing (Urban) Rs. 24,67,450, Business (Rural) Rs. 14,37,093, Business (Urban) Rs. 37,02,350, Agricultural Rs. 33,68,232. Urgent requirements Rs. 20,00,000, Habra Baigachi Rs. 35,00,000, Pilot scheme Rs. 28,00,000

Shri A. C. Guha: Is it true that while disbursing these loans to the refugees they are very often disbursed in instalments and the intervening period between two instalments is generally eighteen months and sometimes two years?

Shri A. P. Jain: So far as the Centre is concerned no conditions have been laid down as to whether a loan should be given all at once or in instalments. If the State Government considers it proper to give the loan in one lump sum it gives it in that manner; wherever it considers it necessary to give it in more than one instalment it gives the loan in more than one instalment.

Shri A. C. Guha: Since when has this instruction been given to the State Government?

Shri A. P. Jain: From the very beginning.

Dr. Ram Subhag Singh: May I know whether the rates of interest on these loans given for different purposes are the same, and whether they would be recovered at the same time?

Shri A. P. Jain: The loans are not recoverable at the same time. Loans are recoverable according to the period of the schemes for which they are advanced. So far as the rates of interest are concerned I think there are slight variation, but I will require notice.

Shrimati Renu Chakravartty: May I know how much of the money has been spent for regularising the lands on which the displaced persons have built houses?

Shri A. P. Jain: I said that under the pilot scheme Rs. 28 lakhs have been advanced by the Centre to the State.

Shrimati Renu Chakravartty: In view of the fact that there are a large number of deserters, what steps are the Central Government taking to see that none of the money is going to waste?

Shri A. P. Jain: Every precaution is taken to see that the refugees are settled there. The heads of the families are photographed, separate cards are prepared and a house to house survey is made.

Shrimati Renu Chakravartty: I did not ask what police action you are taking. I want to know why exactly it is that these refugees are unable to rehabilitate themselves.

Shri A. P. Jain: I never thought that the taking of photograph is 'police action'!

Shrimati Renu Chakravartty: We want to know what is the rehabilitation.

Shri A. P. Jain: There are various cases. Sometimes the refugee do no serious efforts for rehabilitation. Sometimes there might be a defect in the scheme here or there which we are trying to mend.

Shri Gidwani: May I know the average loan given to each family?

Shri A. P. Jain: Unless the particular category is specified I cannot answer an omnibus question like that.

Shri A. C. Guha: For an agricultural family, and for an urban family.

Shri Gidwani: What is the minimum amount given.

Shri A. P. Jain: Sir, I cannot answer two hon. Members at the same time.

Mr. Chairman: Let the hon. Member Shri Gidwani, put his question.

Shri Gidwani: What is the minimum amount of loan given to a refugee family for rehabilitation purposes?

Shri A. P. Jain: What category of refugees?

Shri A. C. Guha: I put the question: agricultural and urban.

Mr. Chairman: I think all that is not so much within the question itself; we are going into the details.

Shri N. C. Chatterjee: Sir, may I put a question which I hope will be relevant? Will the hon. Minister tell us whether the Government of West Bengal has asked for any further loan or financial assistance from the Government of India for the rehabilitation of the displaced persons?

Shri A. P. Jain: The Government of West Bengal is asking for loans from time to time and they are also being given.

Shri N. C. Chatterjee: What is the total assistance they require?

Shri A. P. Jain: Their schemes come from time to time and it is difficult to say what will be the total for the year.

HIMALAYAN EXPEDITIONS

***826. Shri P. T. Chacko:** Will the Prime Minister be pleased to state:

(a) the number of Himalayan Expeditions which took place during 1951-52;

(b) the highest point reached so far, and by whom; and

(c) whether Government have given any encouragement to foreign expeditions?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) In addition to the Expeditions mentioned in replies to the Starred questions Nos. 1461 and 2094 answered in the House of People on the 1st October, 1951, and 24th July, 1952, respectively, the following further expeditions set out in the autumn of 1952:—

(i) The Oxford University Expedition to visit the area South and South West of Gangotari.

(ii) British Expedition to Gauri-Shankar in Nepal.

(iii) Japanese Expedition to Nepal.

(iv) Italian Expedition of Professor Tucci to Nepal.

(v) Swiss Expedition to Mount Everest in Nepal (Second visit).

(b) Government have no information.

(c) Exemption from payment of customs duty was granted in respect of the equipment imported by the expeditions, subject to the condition that it was re-exported from India within a specified period.

Shri P. T. Chacko: May I know whether any Indian has applied for governmental help to organise another expedition?

Shri Anil K. Chanda: No, Sir, not to our information.

Shri Boovaraghasamy: What is the number of deaths that occurred in the expeditions during 1951 to 1952?

Shri Anil K. Chanda: We have no official information.

IRRIGATION AND POWER PROJECTS (STUDIES IN FOREIGN COUNTRIES)

***827. Shri V. P. Nayar:** Will the Minister of Irrigation and Power be pleased to state:

(a) the total number of engineers and technicians who have been sent for studies and conferences on Irrigation and Electrical Engineering and multi-purpose projects to U.S.A. and U.K. in 1950, 1951 and 1952; and

(b) whether any person has been sent by Government to the U.S.S.R. to study the irrigation and hydro-power development there and if so, how many?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) 69 excluding the deputationists from two State Governments. Informations from these two Governments is awaited and will be placed on the Table of the House, as soon as it is received.

(b) None.

Shri V. P. Nayar: May I know what is the total amount spent on students and conferences held in the United States and United Kingdom?

Shri Hathi: The amount spent on conferences is about Rs. 6000 only. So far as the amount spent on students is concerned, it is a question for collecting information from the State Governments and figures are being collected.

Shri V. P. Nayar: May I know whether it is due to any political considerations that no student has so far been sent to the U.S.S.R.?

Shri Hathi: No.

Shri V. P. Nayar: In view of the fact that the Volga-Don Projects have proved to be the best in the world, may I know whether Government have taken any steps to send engineering students to U.S.S.R. to study the scheme?

Shri Hathi: We have no official information yet. I may add that there is no bilateral agreement between this country and the country referred to by hon. Member and therefore no trainee is sent there.

Shri T. N. Singh: May I know, out of the engineers sent abroad, how many of them belong to the CWINC organisation and how many to other organisations?

Shri Hathi: The number of engineers belonging to the CWINC organisation is fourteen and the total number is sixty-nine.

Pandit Lingaraj Misra: Is it a fact that the USSR refused to co-operate, in the Technical Assistance Programme of the United Nations?

Shri Hathi: So far as I know, they are not contributing to that programme.

Shri P. T. Chacko: May I know why no student is sent to Equador?

INTERNATIONAL CONFERENCE ON ASIAN PROBLEMS

***828. Shri S. N. Das:** Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that an International Conference on Asian Problems was held recently in New York;

(b) whether India had any hand in the sponsoring of this Conference;

(c) whether, and, if so, in which way, India was associated with this Conference; and

(d) what were the problems discussed and decisions taken in the Conference?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Yes.

(b) No.

(c) India, as such, was not represented, but some Indians in America were associated with this conference.

(d) The problems discussed at the conference included colonialism, status of women in Asia, youth movements in Asia, educational problems and reforms, rehabilitation and technical assistance, foreign trade and investments, cultural affairs, etc.

Shri S. N. Das: May I know, Sir, whether colonial Powers having colonies in Asia participated in the conference?

Shri Anil K. Chanda: It was an unofficial conference and no official was connected with the conference.

Shri S. N. Das: Who were the sponsors of the conference?

Shri Anil K. Chanda: The Asian Institute of United States.

Shrimati A. Kale: May I know why India was not represented on the status of women?

Shri Anil K. Chanda: We have not been invited to this conference.

Shri S. N. Das: May I know, Sir, the constitution of that Institute? Whether any countries of Asia are represented in that Institution?

Shri Anil K. Chanda: I have no information about the constitution of that Institute.

Shri B. S. Murthy: May I know whether any invitation has been extended to the Government of India and why the Government of India have not responded to it?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): I do not understand when some private individuals start an Institute or hold a conference, what the Government of India or any Government has got to do with it.

STATE TRADING

***829. Pandit Munishwar Datt Upadhyay:** (a) Will the **Minister of Commerce and Industry** be pleased to state what were the commodities in which a kind of State Trading was adopted as of necessity during the war time?

(b) What are the commodities in which a kind of State Trading is still carried on and with what results?

(c) What are the conditions and circumstances in which State Trading is made applicable to a particular commodity by Government?

(d) What is the reason for gradual withdrawal of State Trading from certain commodities in recent years?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) A list is laid on the Table of the House. [*See* Appendix V, annexure No. 2.]

(b) Some kind of State Trading is still carried on in Steel, foodgrains and fertilisers other than Superphosphates. The results are considered satisfactory.

(c) Whenever an essential article is in scarce supply and Government consider that equitable distribution at reasonable prices cannot be otherwise arranged.

(d) As and when the emergency ceases to exist.

Pandit Munishwar Datt Upadhyay: May I know whether this scheme would not be supported on commercial basis?

Shri T. T. Krishnamachari: Sir, I do not think anybody in my Ministry has applied his mind to it.

Shri M. L. Dwivedi: May I know whether Government had any proposal to review the working of these schemes and if so, what is the result?

Shri T. T. Krishnamachari: These schemes are being reviewed from time to time and they are being continued in accordance with the policy laid down by Government which is approved by this House. There has been no *ad hoc* review of these schemes.

Shri M. L. Dwivedi: May I know whether any Committee has been constituted for this purpose and if so, at what stage the Committee is?

Shri T. T. Krishnamachari: If the hon. Member has in mind the fact that a Committee has been constituted to review the working of these schemes, I may say NO.

Shri Damodara Menon: The hon. Minister said that the result of the State Trading was satisfactory. May I know whether he means that the Government have been able to get profit?

Shri T. T. Krishnamachari: The result of any Government action in this regard is considered satisfactory or otherwise according to the satisfaction that their works give to people. Profit is not the main motive in Governmental intervention in such matters.

Shri V. P. Nayar: May I know what are the State Trading Schemes in which, owing to corruption and inefficiency of officials, Government have lost money and what is the total amount lost after the 15th August, 1947?

Shri T. T. Krishnamachari: If the hon. Member will give me the schemes which he has in mind where Government have lost money in regard to corruption, I might be able to answer the question.

Shri T. N. Singh: May I know whether Government propose to revise basis of the Steel Equalisation Fund which has been evolved for the purpose of State Trading Scheme and what is the position in regard to that?

Shri T. T. Krishnamachari: The Steel Equalisation Fund continues because import of steel is still controlled by Government and the allocation of steel from the existing units is also being controlled by the Government.

Pandit Munishwar Datt Upadhyay: The stock on the 31st of March 1950 was worth Rs. 93,07,067. May I know whether this valuation was arrived at on the basis of normal commercial practice or in what manner?

Shri T. T. Krishnamachari: Which stock, Sir?

Pandit Munishwar Datt Upadhyay: Purchase of Fertilizers.

Shri T. T. Krishnamachari: I would like to have notice.

STATE TRADING COMMITTEE REPORT

***830. Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Commerce and Industry be pleased to state what commodities of import and export trade have been recommended by the State Trading Committee for State Trading or for imposition of import or export duties?

(b) How far have the recommendations of the Committee been implemented until now, and what is the proposal of Government regarding the formation of a State Trading Corporation?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) The Committee on State Trading set up in 1949 recommended State trading in foodgrains, fertilisers, Steel and East African Cotton so far as imports are concerned and Coal, Short Staple cotton and Cottage Industry Products so far as exports are concerned.

This Committee did not recommend imposition of import or export duties on any specific commodities.

(b) The recommendations of the State Trading Committee were examined by Government and it was considered that they required to be reviewed in the light of subsequent developments, particularly the falling markets and the uncertain trends in India's international trade. A small Committee has accordingly been set up to make a further examination of the problem and submit its report by the end of the year.

Pandit Munishwar Datt Upadhyay: May I know whether the imposition of import and export duty will in any manner achieve the object of State-trading?

Shri T. T. Krishnamachari: No, so far as I know.

Shri T. N. Singh: May I know whether any change has been made in the State-trading scheme of fertilisers in view of the Sindri factory going into production?

Shri T. T. Krishnamachari: The only change that I am aware of is that Government are no longer interested in the distribution of super phosphates. I do not know whether the Food and Agriculture Ministry has found it necessary to examine the utility of State-trading in respect of fertilisers consequent on Sindri factory going into production.

Shri A. C. Guha: Is it not true that the State-trading Committee has also recommended State-trading as regards the export of jute goods, and if so whether the Government have examined the question and taken any decision?

Shri T. T. Krishnamachari: The report of the State-trading Committee is a public document. The recommendations made are there and cannot be the subject of any hypothetical question. As I have said, the question of falling markets is the thing which has mainly deterred the Government from consideration of this particular matter and other matters ancillary to it.

Pandit Munishwar Datt Upadhyay: May I know whether the claim of the Central Tractor Organisation that the reclamation of land by these tractors would increase the production of foodgrains by 10 maunds per acre at least is true and whether that has been achieved? I understand that four lakh acres have been reclaimed and ploughed by these tractors.

Shri T. T. Krishnamachari: I do not think the Central Tractor Organisation engages in trading; in any event, that question should be directed to the proper quarter.

Shri K. P. Tripathi: In view of the fact that Government are considering falling markets and later developments, may I know whether Government are considering any form of State-trading in regard to the industry of tea for internal consumption markets?

Shri T. T. Krishnamachari: At present I am innocent of any such idea.

IMPORT OF COCA-COLA MATERIALS

*831. **Prof. Agarwal:** (a) Will the Minister of Commerce and Industry be pleased to state what was the amount of dollar exchange which was spent during 1951-52 in importing Coca Cola materials from U.S.A.?

(b) Who are the main share-holders of the Firm which is manufacturing Coca Cola in India?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) $121,300·00.

(b) Shri Mohan Singh and Shri Daljit Singh. Government understand that there are two shareholders. The names are, subject to correction, Shri Mohan Singh and Shri Daljit Singh.

Prof. Agarwal: May I know whether there is an American capital also invested, or is it only Indian capital?

Shri T. T. Krishnamachari: So far as Government information goes, they have no knowledge of any American capital being invested.

Prof. Agarwal: Is there any contract about the import of Coca-cola material for a number of years on behalf of the Government of India?

Shri T. T. Krishnamachari: I do not think that it is the practice of the Government to enter into contract to allow import over a period of years. It may be that there may be an understanding; but Government do not enter into contracts of this nature.

Shri T. N. Singh: May I know if any payments are made for the use of their processes to American firms, namely royalties, etc.?

Mr. Chairman: Does it relate to coca-cola or something else?

The Minister of Revenue and Expenditure (Shri Tyagi): There is no process; it is only drinking.

Shri T. T. Krishnamachari: I have not got the information. If the hon. Member would put down a question, I will try to investigate and find out.

Shri Dubhi: May I know the special need of the country which is being fulfilled by coca-cola?

Shri Natesan: Normally it is difficult for importers to get dollars. May I know how it has been possible for coca-cola dealers to get so much dollars for the import of coca-cola?

Shri T. T. Krishnamachari: Sometimes I do also wonder in the same way as the hon. Member.

Shri Sarangdhar Das: May I know how much does this import of coca-cola materials from America, over which hundreds of thousands of dollars of foreign exchange are used, contribute to the food requirements of the country?

Shri T. T. Krishnamachari: I have not applied my mind to that aspect of the problem.

Shri Punnoose: May I know the quantity of coca-cola now manufactured in India and whether the Government have made any enquiry as to whether it affects the aerated water produced in India?

Shri T. T. Krishnamachari: The quantities vary from month to month. I can give the latest figures. In the Delhi factory, in September, 1952, 24,936 dozens were produced. In the Bombay factory, in September, 53,064 dozens were produced. So far as the other aspect of the question is concerned, I am not in a position to answer.

Shri N. Sreekantan Nair: May I know whether any Rajpramukh is associated with this investment?

Shri T. T. Krishnamachari: I do not think the Commerce and Industry Ministry is interested in Rajpramukhs.

Shri K. K. Basu: May I know whether it is a partnership firm or a joint stock company? If so, Government can easily ascertain who the shareholders are and whether any American capital is there.

Shri T. T. Krishnamachari: I have given information to the best of the knowledge of the Government in this particular matter. As a matter of fact, if, as the hon. Member mentions, it is a joint stock firm, it is quite easy for any hon. Member to go to the Registrar of Joint Stock Companies and find out the shareholders.

Pandit K. C. Sharma: Is it not a fact that my hon. friend's predecessor opened the Delhi coca-cola factory and thereby got the Government interested in the matter?

Mr. Chairman: That does not arise. Next question.

Shri Jhunjhunwala: May I ask one question, Sir? Is this article on the list of luxuries or necessities?

Shri T. T. Krishnamachari: It is as the hon. Member thinks. It is purely subjective.

Shri Jhunjhunwala: I want to know whether the hon. Minister thinks it is an article of luxury or necessity, according to which licences are issued.

Shrimati Sucheta Kripalani: Is the Maharaja of Patiala in any way connected with this firm?

Shri T. T. Krishnamachari: I have no information.

Shri B. S. Murthy: May I know whether it is in the contemplation of the Government to give less dollars for this in future?

Shri T. T. Krishnamachari: Government determine the amount of dollars available for each industry according to the exigencies at the time when they determine that. If more dollars are available, more people have it; if less dollars are available, somebody suffers for it; there is a cut.

Mr. Chairman: Next question.

Shri Gadgil: May I ask one question, Sir? Is it the policy of the Government to encourage industries in India the raw material for which comes from the dollar area?

Shri R. B. Shah: On a point of order, Sir, you have called the other question.

Shri T. T. Krishnamachari: Yes, Sir; sometimes an industry is necessary. It all depends on the merits of each particular case.

Mr. Chairman: Next question.

HOUSING SCARCITY

***892. Shri S. C. Samanta: Will the Minister of Works, Housing and Supply be pleased to state:**

(a) what steps Government have taken or propose to take to meet the acute housing scarcity in India since the formation of a separate Ministry for Housing; and

(b) whether non-official organisations are coming forward to help Government in the matter?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) The acute housing scarcity which prevails in India affects a wide range of people from the middle-class persons in Urban areas, through industrial labour to the population in rural areas. It is obviously not possible to claim that steps have yet been taken to meet the entire problem. To begin with, however, Government has drawn up the Subsidised Industrial Housing Scheme, a copy of which was laid on the Table of the House on 13th November 1952 in reply to question No. 250. This envisages the construction of houses for industrial workers by the State Governments, private employers and workers' co-operatives. Consideration is also being given to the question of slum-clearance, aiding the construction of houses for the low income-groups and reducing the cost of construction generally.

(b) Yes. Non-official organisations and private individuals are sending in for examination their ideas and suggestions on how best to meet the acute shortage of housing in the country.

Shri S. C. Samanta: May I know, Sir, whether Government has taken steps to alleviate to some extent the housing scarcity by utilising Princely houses and requisitioning and releasing private houses? If so, what are their number, and have Government any intention to continue it?

Sardar Swaran Singh: Government have utilised Princely houses, as the hon. Member is aware, so far as Delhi is concerned, and also at places outside Delhi. With regard to requisitioning, Government have not hesitated to utilise their powers when it was in the interest of the State.

Shri S. C. Samanta: May I know, Sir, how the Building Research Institute at Roorkee has helped to alleviate housing scarcity, and whether Government have any intention to establish regional institutes also?

Sardar Swaran Singh: The Building Research Institute at Roorkee has no doubt done good work, and if finances permit, its activities will require expansion, but it is premature to state whether it will be possible to set up regional institutes.

Shri S. C. Samanta: May I know, Sir, how the Industrial Truce Resolution arrived at between the Government, employers and labourers, is being worked out?

Sardar Swaran Singh: This, Sir, does not arise out of this question.

Shri S. C. Samanta: This question arises because this Industrial Truce Resolution tries to alleviate the housing scarcity in industrial areas, and Government took part in the tripartite conference.

Mr. Chairman: I think it is outside the scope of the question.

Dr. Ram Subhag Singh: May I know, Sir, whether the prefabricating housing factory in Delhi is working satisfactorily at present, and if so, the quantity of the material it is producing?

Sardar Swaran Singh: As my colleague, the Minister for Production, stated on the floor of the House the other day, it has not yet gone into production, but it has now been leased out to a firm. That firm hopes to start production, but it has not yet gone into production.

Dr. Ram Subhag Singh: What is the name of the firm to which it has been leased out?

Mr. Chairman: It would not be proper to go into these questions.

Dr. Ram Subhag Singh: This question relates to housing in the whole country.

Mr. Chairman: The question does not relate to the factory for manufacturing houses.

Shri T. N. Singh: What is the total allotment proposed to be made for housing out of the Consolidated Fund, and what rank has it in priority *vis-a-vis* river valley projects etc.?

Sardar Swaran Singh: That is a very general question, but if by housing is meant industrial housing, I have already submitted a reply. But, construction of houses or buildings besides industrial housing does also go a long way to ease the housing situation, and on that there are programmes of the State Governments as also the Central Government, but I have not got the figures at the moment.

Shri M. L. Dwivedi: May I know if the process of soil stabilisation has proved successful, and if so, whether Government are considering the use of this process?

Sardar Swaran Singh: The soil stabilisation process has proved to be a success, though a partial one, in certain areas, and its utility varies from place to place depending upon the climate, temperature variations and rainfall. Government do propose to utilise the information and experience gained in soil stabilisation.

Shri Damodara Menon: The hon. Minister said that Government are receiving schemes from non-official organisations for housing. May I know whether Government have any plan to assist non-official agencies who are preparing such schemes?

Sardar Swaran Singh: Government is prepared to assist them.

पंडित सी० एन० मालवीय: क्या मैं जान सकता हूं कि यह गवर्नमेंट के इल्म में है और क्या उसने इस बात की इनक्वायरी कराई है कि बहुत से मकानात जो गवर्नमेंट के खर्चे पर बने हैं, वह खाली पड़े हैं और उनका इस्तेमाल नहीं हो रहा है? जबकि हाउसेज की स्केयरसिटी है ?

सरदार स्वर्ण सिंह : मैं बहुत मशकूर हूंगा अगर यह मुझे बतलायें कि ऐसे मकानात कहां खाली पड़े हैं, ताकि मैं उन को अलाट कर सकूं ।

पंडित सी० एन० मालवीय: भूपाल में स्टेशन के पास गवर्नमेंट के खर्च से करीब

तीन लाख रुपये लगाकर मकानात बने हुए हैं और वह खाली पड़े हुए हैं।

Sardar Swaran Singh: I will find out. I will take that information from my hon. friend.

Shri Bogawat: Is it a fact that many of the outhouses in bungalows are lying vacant or illegally rented, and would Government take care of them?

Sardar Swaran Singh: I do not think any of the outhouses in Delhi are lying vacant. If anything, they are overpopulated.

Shri Sarangadhar Das: What was the target fixed at the time this proposal of industrial housing was intiated by Government and how many houses have been built? Has that target been reached?

Sardar Swaran Singh: As the hon. Member is aware the industrial housing scheme was finalised only a few weeks ago, and houses cannot spring up as if by magic within this short period of a few weeks.

Shri Namdhari: On a point of order, Sir. Can Members get up from their seats automatically and put questions without the permission of the Chair?

Shri Nambiar: May I know when the Government would be in a position to finish construction of the first house, and whether it would take months or weeks or even years?

Sardar Swaran Singh: It is a very difficult question to answer because I think the first house will not be the solitary house, but hundreds of houses will spring up not before long.

CLOTH AND YARN (EXPORT)

*833. **Shri B. K. Das:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total quantities and values of handloom and mill-made cloth exported from India during this year;

(b) the total quantity and value of yarn exported; and

(c) the countries to which such exports have been made?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) to (c). Three Statements are laid on the Table of the House. [*See* Appendix V, annexure No. 3.]

Shri B. K. Das: May I know whether any export quota of cotton textiles and yarn has been fixed for 1952?

Shri T. T. Krishnamachari: Export is now free.

Shri Raghavaiah: May I know whether the needs of the people of this country are met before cloth is exported?

Shri T. T. Krishnamachari: That is the idea.

Shri V. P. Nayar: In yesterday's "Statesman" it is reported that the Commerce Ministry has given a pat on the back to the jute industry with a donation of 25,000 dollars to the Indian Jute Mills Association for propaganda for jute goods in America. May I know whether, in view of the fact, that tens of thousands of handloom weavers are unemployed now, Government have advanced any money for carrying on propaganda in favour of sale of handloom goods in other countries?

Shri T. T. Krishnamachari: If the hon. Member puts down a separate question, I will attempt to answer it.

Shri Nambiar: May I know whether Government has got any proposal to subsidise this industry to help handloom workers?

Shri T. T. Krishnamachari: The question does not arise. It is purely a matter of exports.

Shri B. S. Murthy: May I know whether there are any Government emporia in foreign countries with regard to handloom cloth?

Shri T. T. Krishnamachari: I do not think so.

Shri S. V. Ramaswamy: Is it a fact that the handloom weavers get yarn only to keep them in work for ten days in the month in Madras State? If so, why is yarn being exported to foreign countries?

Shri T. T. Krishnamachari: The basis on which the question is put is wrong. Yarn is not being lifted by the yarn dealers or co-operative societies.

Shri S. V. Ramaswamy: Is it a fact that the handloom weavers get yarn only to keep them in work for ten days?

Mr. Chairman: He has given the reply that they do not lift the yarn.

Shri B. K. Das: Previously the policy for export of yarn was according to bilateral agreements with other countries. May I know whether there has been any change in that policy?

Shri T. T. Krishnamachari: I do not know about previous policy confining exports of yarn only to bilateral trade. At the moment, we have surplus of yarn of certain varieties, and it is only the yarn which is surplus that is allowed to be exported.

Shri B. K. Das: What are the counts of yarn that have been now exported? Are all counts or only fixed counts being exported?

Shri T. T. Krishnamachari: In regard to counts between 1 and 32, from the beginning of January till the 15th November, about 41,000 bales have been exported. For counts between 33 and 99, about 7,891 bales have been exported.

Shri S. C. Samanta: May I know whether the Kanungo Committee recently formed, will have anything to do with the export of yarn and cloth?

Shri T. T. Krishnamachari: The terms of reference of the Committee that has now been appointed are fairly wide, and naturally exports would also be considered by the Committee.

Sardar Hukam Singh: On a point of order, Sir. It has often been found that when a supplementary is put, the hon. Minister in charge rejects that on the ground that it does not arise out of the main question. Would it be for the Chair to rule that it does not arise, or that it is not relevant, or should the rejection be taken from the hon. Minister himself?

Mr. Chairman: The Chair has got the right to decide whether it is outside the scope of the main question or not. But when the hon. Minister to whom the question is addressed is on his legs, and makes that statement, if the Chair does not accept it, naturally the Chair will say that the question should be answered. But if on the face of it, the supplementary that is asked is beyond the scope of the main question, the hon. Minister says that it is so, instead of spending time on getting a ruling from the Chair and spending this valuable hour meant for giving information to the House on various subjects. The hon. member will of course realise that there is no idea that any hon. Minister will take away any of the powers of the Chair in this manner. But the point is that it saves time. I think we should not spend time over this unnecessarily, and the hon. member, I hope will appreciate it.

Sardar Hukam Singh: When a member of the Government rejects in that way, we are looking towards the Chair, as to what its view is. But when we find that nothing is coming from the Chair, we have to sit silent out of courtesy. Would it not be better if the Minister addresses the Chair?

Mr. Chairman: I think his reply is supposed to be addressed to the Chair, and not to the hon. member who puts the Question.

COMMUNITY PROJECTS

*834. **Shri B. K. Das:** (a) Will the Minister of **Planning** be pleased to state what amounts have been advanced to different State Governments for implementing the Community Projects?

(b) What portions of them are to be treated as loans and on what conditions?

(c) What has been the total initial expenditure so far?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Pending finalisation of budget proposals from State Governments, an *ad hoc* advance has been made to each State Government as per statement laid on the Table of the House. [*See* Appendix V, annexure No. 4.]

(b) The loan portions will be determined only when the budgets for each State Governments have been finally approved.

The terms and conditions on which loans will be given are under consideration.

(c) The information has been called for from the State Governments and will be placed on the Table of the House when received.

Shri B. K. Das: May I know whether any equipments have been given to these projects as part of the T.C.A.

Shri Hathi: Equipments will be given as part of the agreement.

Shri B. K. Das: Will it be given on the basis of the requirements of each project, or is there any fixed quota?

Shri Hathi: For each project, the States have to decide what programme they are going to have. On consideration of the programmes which the State Governments submit to the Central Government, Community Projects Administration, the help to be given is decided.

Shri B. K. Das: May I know what will be the contribution of State Governments to these projects?

Shri Hathi: Out of the total amount of Rs. 65 lakhs, to be spent on this, about Rs. 29 lakhs will be loans from the Government of India, about Rs. 22 lakhs will be the grant-in-aid, and about Rs. 12,37,000 will be the States' share. This is a general basis and will be decided for each State after the schemes are submitted by the States concerned.

Shri B. K. Das: May I know whether the repayment of the loan will have to be made by any method of recovery from the project areas?

Shri Hathi: The question of repayment of the loan will depend on several factors, such as whether the scheme is selfsufficient, what is the nature of the loan etc.

Shri B. K. Das: May I know whether the State Governments have borne any part of the expenses incurred for the training of the project officers?

Shri Hathi: The expenses of the trainees that were sent, were borne by the State Governments themselves.

Shri N. Sreekantan Nair: May I know whether there is any principle underlying the allotment, such as the area or the population of the State?

Shri Hathi: Not the area of the State, but the conditions and place of the project area.

Shri T. N. Singh: How many villages is it proposed to cover by this community project system in the first year out of the 5½ lakhs villages that we have in our country?

Shri Hathi: Initially 300 villages for each project, and we have 55 such projects.

Shri B. S. Murthy: May I know whether the backwardness of any area will get the first priority in implementing the scheme, instead of the money contribution?

Shri Hathi: The areas have already been selected on the recommendation of the State Governments.

Shri Mohiuddin: May I know whether the Government of India have laid down any rule that unless the State Governments put forth their share of the money, the advance, the loan or the grants from the Government of India will not be given?

Shri Hathi: No such rule has been laid down, but it does mean that the State Governments have to spend their share.

COTTON EXPORT AND IMPORT POLICY

*836. **Shri S. C. Samanta:** Will the Minister of Commerce and Industry be pleased to state:

(a) what were the suggestions of the Central Cotton Advisory Board regarding the framing of the export and import policy for cotton for the year 1952-53;

(b) whether it is a fact that the announcement of the cotton export policy last season was very much delayed;

(c) whether it will be possible for Government to curtail imports of foreign cotton next season;

(d) whether Government have considered the necessity for the opening of hedge-trading in cotton; and

(e) if so, what is the decision?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) The Cotton Advisory Board suggestions were:

(i) that import of about 400,000 to 500,000 bales of cotton be allowed during 1952-53; and

(ii) that the cotton export policy for the year 1952-53 be announced by end of November 1952 at the latest. No specific suggestion regarding the quantity to be exported was, however, made by the Board.

(b) In the conditions prevailing last season an earlier announcement was not considered advisable.

(c) According to the present trends imports of foreign cotton during the season 1952-53 are likely to be lower than import during 1951-52 season.

(d) Yes.

(e) It has been decided that the hedge trading will be permitted from about the 15-12-1952.

Shri S. C. Samanta: May I know whether the price of Pakistan cotton is above world parity? And if so, have the imports from Pakistan been decreased?

Shri T. T. Krishnamachari: As for the first part of the question, I do not think that at the moment, it is above world parity, but as for the second part, I am unable to answer the question.

Short Notice Question and Answer

GOAN POLITICAL PRISONERS TRANSFERRED TO PORTUGUESE WEST AFRICA

Shri H. N. Mukerjee: Will the Prime Minister be pleased to refer to the answer to starred question No. 1947 given on the 21st July, 1952 and state whether he has any information regarding the reported transfer by Portuguese authorities of seven Goan political prisoners from Lisbon to Angola in Portuguese West Africa and also their confinement in "Cuanze Norte" jail which is popularly known as a "death chamber"?

The Prime Minister (Shri Jawaharlal Nehru): Seven prisoners were taken by ship from Goa and reached Lisbon on the 18th June 1952. These prisoners were confined in the Aguada Fort in Goa. They are understood to have been removed from there at short notice and were taken from Lisbon to Angola in West Africa on the 9th July 1952. It is understood that they are confined in 'Cuanze Norte' jail in Angola. We have no further information.

Shri H. N. Mukerjee: Has the attention of the Government been drawn to a recent report that these prisoners are suffering from 'biliosa', a deadly fever which is prevailing in Angola and that there are no medical facilities being provided in this particular jail which is meant for criminals of a very special description?

Shri Jawaharlal Nehru: We have no means of finding out directly. This is a matter entirely in Portuguese territory there. Informally we tried to find out from the Portuguese Legation here and according to them, these reports are not correct and they are in the best of surroundings.

Shri H. N. Mukerjee: In view of the fact that these seven political prisoners were non-violent Satyagrahis and have been sentenced to savage terms of imprisonment, is it in the contemplation of Government to move very urgently in the matter of repatriation of these prisoners, if possible?

Shri Jawaharlal Nehru: We are in a difficulty in this matter because they are Portuguese subjects or nationals, and normally a Government does not move in regard to the nationals of another country. I am sure all people in this House will agree that the treatment accorded to these prisoners by the Goan authorities has been exceedingly regrettable and deplorable. But what more steps we can take in this matter to get them repatriated is not clear to me.

Shri H. N. Mukerjee: In view of the forthright statement recently made by the Prime Minister in regard to French Settlements in India, could we have an assurance from him that in regard to such foreign enclaves as Goa something very specific and very strong is going to be done in the near future?

Shri Jawaharlal Nehru: The statement I made in regard to the French Settlements applies equally to the Portuguese Settlements. But that does not mean—and I do not wish the House to imagine—that something very sudden and abrupt and big is going to happen.

Shri Nambiar: Have the Government enquired as to why these prisoners were transferred to Angola where there are no facilities, and whether these prisoners could not be detained in India?

Mr. Chairman: That is beyond what this Government can say.

WRITTEN ANSWERS TO QUESTIONS

PROJECT OFFICERS TRAINING AT NILOKHERI

*835. **Shri A. N. Vidyalankar:** (a) Will the Minister of **Planning** be pleased to state the total expenditure incurred on the 'officers training' recently organised at Nilokheri and whether any portion thereof will be paid by the State Governments?

(b) Has the attention of Government been drawn to the reports in certain sections of the Press that dancing parties had been engaged from Delhi for the officers' entertainment during the training period, and huge sums were paid to these parties, which also constitutes an item in the expenditure?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Rs. 8,693-6-0. No part of the expenditure will be met by the State Government.

(b) A sum of Rs. 1534-8-0 was spent on holding a *Mushaira* of poets which included music and some items of various styles of Indian dancing. These programmes were held to give an insight into the culture and traditions of India.

LIMESTONES IN KHASI AND JAINTIA HILLS

*837. **Shri Beli Ram Das:** (a) Will the Minister of **Commerce and Industry** be pleased to state whether Government are aware that good quality limestones are available in the Khasi and Jaintia Hills in the State of Assam in large quantities?

(b) What steps have been taken by Government to utilise these limestones in India?

(c) Is it a fact that the Government of Pakistan has been utilising these limestones in manufacturing cement?

(d) Will it not be possible to start a cement factory in Assam instead of lending the limestones to Pakistan?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Yes, Sir.

(b) and (d). Government agreed in 1948 to the starting of a cement factory in Assam. It appears that due mainly to transport difficulties no progress has so far been made.

(c) The cement factory in East Pakistan owned by Messrs. Assam Bengal Cement Co. Ltd., Calcutta, has been utilising the limestone from Assam.

COIR INDUSTRY IN TRAVANCORE-COCHIN

***838. Shri Raghuvaiah:** (a) Will the Minister of Commerce and Industry be pleased to state whether the Chief Minister of Travancore-Cochin State had come recently to Delhi to discuss the position of the coir industry in his State?

(b) What are the official figures, according to the State Government, of the number of coir factories closed down and the number of unemployed?

(c) What steps are contemplated by the Central Government to find new markets for coir goods and for giving interim relief to coir workers in Travancore-Cochin State?

The Minister of Commerce (Shri Karmarkar): (a) Yes, Sir. The Chief Minister and the Finance Minister of Travancore-Cochin Government discussed this matter with the Ministry early in October 1952.

(b) About 108 factories and about 21,400 workers.

(c) Government's Trade Representatives abroad have been addressed, with a view to removing obstacles, if any, in the way of import of coir and coir products into foreign countries.

Opportunities are taken from time to time to introduce coir products as an item of export from India, in our Trade Agreements with foreign countries.

To stimulate internal markets, the Government of India have requested all State Governments and departments of the Central Government to make increased purchases of coir products.

To relieve immediate unemployment, steps are being taken to start civil works in the affected area. A conference was convened by the Travancore Government last month to discuss problems relating to the Coir Industry. The Textile Commissioner to the Government of India attended this conference. The further steps to be taken in this connection are under examination.

DIVERSION TUNNELS IN BHAKRA-NANGAL PROJECT

***839. Shri Krishna Chandra:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether the Estimates Committee in their fifth report for 1951-52 under para 85 has reported that the two diversion tunnels of the Bhakra-Nangal Project have been constructed by engineers who are not experts at the job;

(b) whether some damage has been caused to these tunnels by flood; and

(c) whether this has been due to defect in construction?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes, Sir.

(b) The attention of the hon. Member is also invited to reply to part (a) and (b) of Starred Question 1169 by Shri Lakshamanan on the 20th September, 1951. There has been no damage to the tunnel structure.

(c) No, Sir.

SOIL CONSERVATION IN KOSI CATCHMENT AREA

***840. Shri L. N. Mishra:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether Government have any programme for soil conservation measures in the Kosi catchment area; and

(b) if so, the chief features and the estimated cost of the said programme?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes, Sir.

(b) The details are being worked out.

COMMUNITY PROJECTS IN TRAVANCORE-COCHIN

***841. Kumari Annie Mascarene:** Will the Minister of Planning be pleased to state:

(a) the amount of money allotted to Travancore-Cochin State for community projects;

(b) whether the Government of Travancore-Cochin State have placed any schemes before the Central Government for community projects;

(c) whether there is any supervision of the execution of the Project by the Central Government; and

(d) whether there is any auditing of accounts by the Centre?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Rs. 1.05.26 lakhs.

(b) Yes.

(c) Yes.

(d) No.

U. S. IMPORT DUTY ON INDIAN WOOL

*842. **Shri Nanadas:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the U.S. Government has imposed an import duty on wool from India:

(b) whether the Government of India have carried on any talks with the U.S. Government on this matter;

(c) what were the results of these talks;

(d) what will be the total loss to Indian wool exporters on this account calculated in terms of the trade last year:

(e) whether the Government of India considered counter-steps against American imports into India; and

(f) whether steps are being contemplated for the diversion of this wool to other countries on more favourable terms and if so, what are those steps.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Practically all the wool imported from India into the U.S.A. is carpet wool which is exempt from import duty.

(b) No, Sir.

(c) to (f). Do not arise

COMPENSATION TO DR. CHUNNILAL

*843. **Shri V. G. Deshpande:** Will the Minister of Rehabilitation be pleased to state:

(a) whether the Ministry of Rehabilitation received a representation from Dr. Chunnilal, a displaced person from West Punjab regarding the compensation of Rs. 10,000/- for the property which was burnt in Sargodha before Partition of India:

(b) whether it is a fact that the High Commissioner for India in Pakistan has been informed by the Government of West Punjab that Rs. 10,000/- have been transferred to the East Punjab Government; and

(c) what steps the Government of India have taken to realise the sum from East Punjab Government and to make payments to Dr. Chunnilal?

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): (a) Yes.

(b) The Punjab (Pakistan) Government informed the Deputy High Commissioner for India that according to original arrangements, Dr. Chunnilal was to receive Rs. 10,000 out of the total sum of Rs. 82,500 imposed as a collective fine on the inhabitants of certain towns in Khushab Sub-Division of Sargodha District. The Punjab (Pakistan) Government, however, stopped collections after a sum of Rs. 28,070 had been collected. The Punjab (Pakistan) Government also indicated that collective fines realised by the undivided Punjab Government had been divided between the Governments of Punjab (Pakistan) and Punjab (India) as a part of the cash balances of the undivided Punjab Government. The Punjab (Pakistan) Government has therefore considered that the claim of Dr. Chunnilal now lay with the Government of Punjab (I).

(c) The matter was taken up with the Punjab (I) Government, who, however, feel that despite the division of cash balances, including the amounts realised as collective fines, the Punjab (Pakistan) Government is liable to pay the admissible compensation under the Indian Independence (Rights, Property and Liabilities) Order, and the Punjab (India) Government is not liable in any manner whatsoever for the payment of the claim of Dr. Chunnilal.

FIRE-WORKS (IMPORTS)

*844. **Shri Jasani:** (a) Will the Minister of Commerce and Industry be pleased to state what is the total value and quantity of fire-works imported during the year ending 30th October, 1952?

(b) From what countries were they imported?

The Minister of Commerce (Shri Karmarkar): (a) The value and quantity of fireworks imported during the year ending 31st October, 1952, are Rs. 23,911 and Lbs. 1,951 respectively.

(b) United Kingdom

चमड़ा और खालें (निर्यात)

*८४५. **श्री वाल्मीकी** : क्या वाणिज्य तथा उद्योग मंत्री यह बतलाने की कृपा करेंगे :

(क) १९५१-५२ वर्ष में भारत से निर्यात की गई विविध पशुओं की खालों की मात्रा और उन पशुओं के नाम :

(ख) क्या सरकार को विदित है कि यह व्यापार गिरता जा रहा है ;

(ग) यदि ऐसा है, तो उसके कारण ; तथा

(घ) इस व्यापार में लगे हुए लोगों को सरकार क्या सुविधा देती है ?

The Minister of Commerce (Shri Karmarkar): (a) A statement giving the information required is placed on the Table of the House. [*See* Appendix V, annexure No. 5.]

(b) and (c). There was a slump in the early part of this year on account of the general trade recession, but there has been a considerable improvement during the second half of the year.

(d) In addition to decontrolling the export of all varieties of leather and civilian leather goods including leather footwear, Government have taken the following steps;

(i) The import of leather and civilian leather goods including leather footwear has been banned;

(ii) All Commercial Representatives abroad have been asked to develop markets for Indian leather in their respective spheres;

(iii) Import of wattle bark, wattle extract and Quebrancho extract (essential vegetable tanning materials) has been placed on Open General Licence. The distribution and price of wattle bark and wattle extract is also controlled under the Supply and Prices of Goods Act, 1950, in order to make it available to the industry at reasonable prices.

DOCUMENTARY FILM "IN INDIA"

*846. **Shri K. Subrahmanyam**: (a) Will the **Prime Minister** be pleased to state whether Government are aware that a documentary film, entitled "In India", produced by Soviet film technicians during a recent visit to this country, is being exhibited in Russia now?

(b) if the answer to part (a) above be in the affirmative, is it a fact that the film depicts the squalor and filth of the slum areas of some of our cities and contrasts them with the wealth and luxury allegedly enjoyed by foreigners in this country?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Yes.

(b) The film shows the poverty of certain areas, but it also brings out some artistic and cultural aspects of India.

UNECAFE SEMINAR

*847. **Shri Nausdas**: Will the Minister of **Commerce and Industry** be pleased to state.

(a) whether it is a fact that under the auspices of the UNECAFE, a fifteen-day Seminar was organised in India in October this year;

(b) whether the purpose of the Seminar was to find out ways and means to exploit fuel resources;

(c) who attended the Seminar on behalf of India and how was the selection made; and

(d) the outcome of the Seminar and the conclusions it has reached?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a), (b) and (d). Attention of the hon. Member is invited to the reply given in the House on the 26th November, 1952, to Starred Question No. 700 asked by Shri C. R. Chowdhary.

(c) A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 6.]

DISPLACED PERSONS FROM EAST PAKISTAN

*848. **Shri Dāsaratha Deb**: Will the Minister of **Rehabilitation** be pleased to state:

(a) how many of the displaced persons who have migrated from East

Pakistan after July, 1952 have been given Government aid and the extent to which such aid was given: and

(b) how many displaced families have deserted these camps from Tripura and what are the reasons for their desertion?

The Minister of Rehabilitation (Shri A. P. Jain): (a) (1) West Bengal—51,425 displaced persons admitted to camps are getting doles.

(2) Bihar—442 displaced persons sheltered in a transit camp are getting doles.

(3) Tripura—Out of 75,888 displaced persons all except able bodied persons are getting cash doles.

(4) Cachar—*Ad hoc* relief was given to those who approached for some help.

(5) Assam—Most of the displaced persons are staying with their friends and relatives.

A statement showing the extent of financial assistance given to displaced persons in camps is laid on the Table of the House. [*See* Appendix V, annexure No. 7.]

(b) No desertion has been reported from camps in Tripura.

MINORITY MINISTERS' JOINT TOUR

*849. **Shri A. C. Guha:** Will the **Prime Minister** be pleased to state:

(a) whether the Ministers of Minorities of India and Pakistan have made any joint tour of East and West Bengal; and

(b) if so, (i) what areas they visited and for how long;

(ii) what was the purpose of such a tour;

(iii) whether apart from the public statement, the Indian Minister of Minorities has submitted any report to Government; and

(iv) what are the reasons for such large scale exodus of Minorities from East Bengal during the last three months up to 14th October, 1952?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Yes.

(b) (i) The Minority Ministers of India and Pakistan jointly toured the Districts of Dacca, Barisal, Khulna and Jessore in East Bengal and 24 Parganas, Nadia, Howrah and Calcutta in West Bengal from the 24th to 31st October 1952;

(ii) the main purpose of the tour was to dispel apprehensions about the passport system and the feelings of insecurity among minority communities.

(iii) Yes.

(iv) The reasons presumably are:

(1) a feeling of insecurity,

(2) deteriorating economic conditions, and

(3) apprehension at the introduction of the passport system and fear that this might lead to restriction of travel.

SETTLEMENT OF DISPLACED TRIBAL PEOPLE IN MANIPUR

*850. **Shri Rishang Keishing:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether the original Tribal and Meitei settlers of Saitol in Churachandpur area and Serrow in Sugnoo area in Manipur were forcibly ousted with the help of armed police and displaced persons were rehabilitated on their lands;

(b) whether the land requisitioned by Government from the original settlers of Serrow alone for the purpose of rehabilitating displaced persons is over 200 acres;

(c) whether each refugee agriculturist has been allotted 5 acres of cultivable land against barely 2½ acres of land to each original settler which is also on a higher ground that no water for cultivation can be obtained; and

(d) whether a canal about 2 miles long, 8 feet wide and 6 to 8 feet deep constructed by the original tribal settlers at the cost of Rs. 8,000/- and immense labour is now within the heart of the lands of the displaced persons?

The Minister of Rehabilitation (Shri A. P. Jain): (a) to (d). The information is being collected and will be placed on the Table of the House in due course.

THONBAL COMMUNITY PROJECT SCHEMES

*851. **Shri L. J. Singh:** Will the Minister of **Planning** be pleased to state:

(a) the extent and area covered by the Thonbal Conununity Project Schemes;

(b) the amount allocated for the Schemes;

(c) whether Government propose to drain the excess water of all the lakes under the Thonbal Community Project area; and

(d) if so, what are the estimated acres of lands that may be available for cultivation?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Thonbal Tehsil covering an area of about 300 sq. miles.

(b) Rs. 21·67 lakhs.

(c) No, but the possibility of draining some of the marshy area is under consideration.

(d) No estimates can be given at present.

COMMUNITY PROJECT ADMINISTRATORS

*852. **Shri S. V. Ramaswamy:** (a) Will the Minister of **Planning** be pleased to state whether Community Project Administrators are honorary workers or paid men?

(b) How many Administrators are there?

(c) How many of them are officials and how many non-officials?

(d) What is the pay of officials and non-officials?

(e) How many non-officials are paid, and what is their T.A. and D.A.?

(f) What is the amount of money each Administrator will deal with?

(g) Has any financial security been taken from them?

(h) What provision has been made to prevent any possible maladministration of funds?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) It is presumed that the Member is referring to Project Executive Officers. They belong to both the categories.

(b) 71 Project Executive Officers.

(c) All of them are officials today; 10 were non-officials prior to their appointment as Project Executive Officers.

(d) No specific scales have been laid down. Rs. 450—800 per mensem is taken as a guide. This is the same for both officials and non-officials.

(e) Out of the ten mentioned in (c) above, eight are paid. T. A. and D. A. are paid by the State Governments concerned according to their rules.

(f) to (h). State Governments are concerned in the matter. Accounts are subject to audit by the Accountant-General concerned.

EXTRADITION

*853. **Shri Telkikar:** Will the **Prime Minister** be pleased to state:

(a) whether there is any international law governing the extradition of criminals from one country to another or whether reciprocal arrangement is to be made by mutual agreements between the countries;

(b) whether there have been cases since 15th August, 1947, in which foreign Governments have extradited any criminals from their country to India; and

(c) the proportion of criminals extradited from India to foreign countries to those extradited from foreign countries to India since 15th August, 1947?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) There is no international law governing the extradition of criminals from one country to another. Reciprocal arrangements for this purpose are, however, made by mutual agreements between the countries. In this connection attention of the hon'ble Member is invited to the reply given by Shri Satish Chandra to Shri N. L. Joshi's Starred Question No. 1247 on the 26th June, 1952.

(b) Yes.

(c) No up-to-date information is readily available.

POWER ALCOHOL FACTORIES

*854. **Shri Telkikar:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the places in India where power alcohol factories are established; and

(b) the percentage of the output of Shakkar Nagar (Bodhan, Hyderabad State) Alcohol Factory, to the total production in India?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) A statement is placed on the Table of the House [*See* Appendix V, annexure No. 8.]

(b) 1951 ... 6.8 per cent.
1952 ... 6·6 per cent.
(January-June)

INDIAN ENCLAVES IN EAST BENGAL

*855. **Shri A. C. Guha:** Will the **Prime Minister** be pleased to state

(a) whether there are some enclaves of Indian territory surrounded by East Bengal territories;

(b) what is their number, area and population; and

(c) how law and order, communications, supplies etc., are being maintained?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) and (b). There are 130 small Cooch-Behar enclaves surrounded by East Bengal territory. Their total area is 20,957 acres and they have a total population of 12,602. Similarly, there are 93 East Bengal enclaves surrounded by West Bengal (Cooch-Behar) territory. Their area is 12,152 acres and their population is approximately 11,000.

(c) The administration of these enclaves on either side has been very difficult. The Chief Secretaries of West Bengal and East Bengal have considered some of these difficulties and were of opinion that in the interests of administrative convenience, the question of the exchange of these enclaves should be examined. Meanwhile, it was agreed that certain steps should be taken to facilitate the movement of officers and supplies.

The Government of West Bengal have been asked to inform us of the latest position.

COAL TO PAKISTAN

*856. **Shri A. C. Guha:** Will the Minister of **Production** be pleased to state whether there was any proposal from Pakistan to get coal from India and if so, what is the present position?

The Minister of Production (Shri K. C. Reddy): Yes. Coal was included as an item for export from India, in the Indo-Pakistan Trade Agreement of February 1951, which expired on the 7th August, 1952. Coal has been left out of the current Trade Agreement between India and Pakistan, but on being approached by Pakistan, the Government of India have consented outside the agreement to sell coal to Pakistan upto 90,000 tons a month, till the end of December 1952, when the position will be reviewed.

LEATHER INDUSTRY

*858. **Dr. Jatav-vir:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the quantity of hides and skins exported from India to Pakistan during the last five years;

(b) the quantity of raw leather exported from India to other foreign countries during the last five years;

(c) the effect of such export of raw leather, hides and skins on the leather industry of India; and

(d) the measures, if any, which the Government of India have adopted to improve the leather industry in India?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) On the assumption that the Member refers to tanned hides and skins a statement is laid on the Table of the House. [*See* Appendix V, annexure No. 9.]

(b) The Member presumably refers to raw hides and skins. If so, a statement is laid on the Table of the House. [*See* Appendix V, annexure No. 9.]

(c) Since export of raw hide and skin is allowed only in respect of items where there is exportable surplus it is not likely to have any adverse effect on Indian leather industry.

(d) A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 9.]

MINING ENGINEERS IN HIRAKUD

*859. **Dr. Natabar Pandey:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether sixteen mining engineers who were serving in a Government of India mining concern are now being posted in Hirakud; and

(b) if the answer to part (a) above be in the affirmative, the reason for employing such a large number of mining engineers in Hirakud?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) and (b). Sixteen engineers who were sent to the U.K. for training in open cast mining and operation of the machinery connected therewith were offered appointments as Temporary Assistant Engineers on the Hirakud Dam Project against vacant posts pending selection of suitable officers through the U.P.S.C. All of them are graduates in Civil, Electrical or Mechanical Engineering. During the course of their training in U.K. they have familiarised themselves in the handling and operation of different types of earth moving and other machinery at present used on the Hirakud Dam Project, and are otherwise fully qualified for the posts. Three candidates did not accept the offer and their appointment has since been cancelled. Six of them have joined at Hirakud. Replies from others are awaited.

MATERIALS FROM DISPOSALS FOR HIRAKUD

***860. Dr. Natabar Pandey:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) the quantity and value of materials ordered by the Stores Department of the Hirakud Dam Project from or through the Director of Disposals so far;

(b) whether a part of the materials referred to in part (a) above has been lost; and

(c) whether the stock position has been recently verified?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) The total value of stores obtained from Disposals through the Director of Disposals from the beginning of the Project to date is Rs. 154 lakhs approximately. These were received in lots or in numbers or by weights.

(b) and (c). Materials received since July 1950 have been verified and there is no loss. Materials received before July 1950 are still under verification.

DETENTION OF FOOD STUFF FOR TRIPURA IN PAKISTAN

***861. Sardar A. S. Saigal:** (a) Will the **Prime Minister** be pleased to state whether it is a fact that East Pakistan Police detained food stuff booked for Tripura while in transit through East Pakistan at the Akheura Railway junction?

(b) What is the value of the commodities including food stuff so detained?

(c) Has any effort been made at Government level to secure release of the detained consignments?

(d) If the answer to part (c) above be in the negative, what action do Government propose to take in the matter?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) Goods for Tripura, including foodstuffs, were held up at the Pakistan check-post on Akhura-Agartala Road owing to refusal of that check-post to allow porters to carry them across to the Indian check-post without proper passports and visas.

(b) About Rs. 4 lacs.

(c) The Government of Pakistan were approached and it has been agreed that goods will be cleared by an equal number of Indian and Pakistan porters who will be given written authorisations for the purpose by responsible officials on both sides. This arrangement will be in force for two months, within which the porters are expected to obtain the requisite passports and visas.

(d) Does not arise.

DEPUTATION FROM CEYLON TEA PROPAGANDA BOARD

***862. Sardar A. S. Saigal:** (a) Will the Minister of **Commerce and Industry** be pleased to state whether a deputation from the Ceylon Tea Propaganda Board made a special plea to Government to revise its recent decision to withdraw from the International Tea Market Expansion Board?

(b) Is it a fact that a promise was given for India's co-operation to the Ceylon Tea Propaganda Board?

(c) What is the condition on which the promise has been given?

(d) Is it a fact that the Ceylon Tea Propaganda Board has the controlling interest in the International Board?

(e) Is it a fact that it has decided to proceed with the four promotion campaigns in the U.K., the U.S.S.R., Egypt and South Africa through the International Tea Market Expansion Board?

The Minister of Commerce (Shri Karmarkar): (a) No, Sir.

(b) No, Sir.

(c) Does not arise.

(d) It might be so, in view of India's withdrawal from the Board.

(e) Government have no information.

HINDUSTAN SHIPYARD LIMITED

*864. **Shri K. C. Sodhia:** (a) Will the Minister of **Production** be pleased to state the total number of experts engaged by the Hindustan Shipyard Ltd. and how many of them are Indians?

(b) What is the present arrangement for the training abroad of Indian personnel?

(c) Does the Company prepare any annual report of its working and submit it to Government?

(d) If so, when was the last report received?

The Minister of Production (Shri K. C. Reddy): (a) Out of a total of 36 technical officers, 33 are Indians.

(b) Out of the 33 Indian officers, 16 have already received training abroad. Under our agreement with a reputed French firm of shipbuilders, the latter will train Indian officers whom we may recommend for such training in their own shipyards in France.

(c) The Company is required to issue an annual balance-sheet and Directors' Report under the Indian Companies Act. Government being the major shareholder in the Company, a copy of such Report will necessarily come before Government.

(d) The Company has not yet completed the first year of its existence and the question of an annual report has not so far arisen.

SALT BITTERNS

*865. **Shri Balwant Sinha Mehta:** (a) Will the Minister of **Production** be pleased to state whether Government are aware that a large quantity of Salt Bitterns is lying waste on the site of Sambhar Lake?

(b) What are the possible products obtainable from it?

(c) If useful chemicals can be extracted out of it, why was it not pursued up till now?

(d) Does the property belong to the Government of Rajasthan or the Central Government?

The Minister of Production (Shri K. C. Reddy): (a) Yes.

(b) Sodium Chloride, Sodium sulphate, Sodium carbonate, and Sodium bicarbonate.

(c) The question of working out suitable methods for the recovery of the by-products is under active consideration.

(d) The property belongs to the Government of Rajasthan.

PRICES OF GOODS IN MANIPUR

*866. **Shri L. J. Singh:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is fact that the prices of the popular counts of yarns exceed the stamped retail price by about 25 per cent. at Imphal and those of all industrial goods which have to be imported to Imphal exceed the average price obtaining in other parts of India by about the same percentage; and

(b) if the answer to part (a) above be in the affirmative, whether Government propose to consider the desirability of reducing the freight charges of such goods imported to Manipur?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). In regard to cotton yarn the answer is in the negative and the authorities there have reported that the yarn is being sold in that area below controlled price at present. Regarding other industrial goods it is true that transport charges and the difficulties of movement by the rail-*cum*-road route do tend to make them more expensive in Imphal than in other areas and Government are doing everything possible to improve transport facilities.

TRAINING IN COTTAGE INDUSTRIES

*867. **Shri N. L. Joshi:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government have under contemplation any scheme or schemes under which persons desirous of being trained in cottage industries may get that training;

(b) if so, which are the industries;

(c) whether such training centres exist at present; and

(d) if so, at what places and which are the industries in which training is imparted?

The Minister of Commerce (Shri Karmarkar): (a) No, Sir. Not at present.

(b) Does not arise.

(c) and (d). Certain training centres are run by the Ministry of Rehabilitation and the Ministry of Labour, and a statement giving details of these institutions is laid on the Table of the House. [See Appendix V, annexure No. 10.]

HOUSES BUILT FOR DISPLACED PERSONS

*869. **Shri N. L. Joshi:** (a) Will the Minister of **Rehabilitation** be pleased to state how many new houses for displaced persons have been constructed so far and at what cost?

(b) How much of the cost of buildings has been recovered so far from the displaced persons?

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): (a) The attention of the hon. Member is invited to the reply given by me to parts (a) and (b) of Unstarred Question No. 94 by Shri Vidyalankar on the 13th November, 1952.

(b) The information is being collected and will be laid on the Table of the House in due course.

SOAP FACTORIES

*870. **Shri Kelappan:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the names of the foreign soap concerns manufacturing soap in India;

(b) the total installed capacity of the soap factories in India and also the actual production during 1949, 1950 and 1951 giving separate figures for Indian and foreign concerns;

(c) whether the Palmolive Soap Company has recently purchased a factory in Baroda; and

(d) whether the Lever Brothers are starting a new factory at Podur in Trichinopoly?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). Presumably the hon. Member desires to know the names of the Indian Soap firms which are known to have foreign investment. On this basis a statement is laid on the Table of the House. [*See* Appendix V, annexure No. 11.]

(c) Government have no information.

(d) Government have no information.

DIPLOMATIC IMMUNITY

*871. **Shri K. Subrahmanyam:** (a) Will the **Prime Minister** be pleased to state the number of persons, country-wise who are enjoying diplomatic immunity in India?

(b) How many of them, again country-wise, are not directly associated with foreign embassies but are here on special invitation by the Government for specific purposes?

(c) Has there been any instance of misuse of diplomatic immunity during 1952?

(d) If so, what action has been taken in the matter?

The Deputy Minister of External Affairs (Shri Anil K. Chanda): (a) A statement containing the required information has been placed on the Table of the House. [*See* Appendix V, annexure No. 12.] The families of the persons mentioned in the statement are also entitled to immunity, but information regarding their number is not available.

(b) The question does not arise, as diplomatic immunity is enjoyed only by diplomatic envoys, their families and suites, although certain other persons, as for example, officials of the United Nations, may also be accorded a certain degree of immunity from legal process.

(c) and (d). There has been no instance which can be described as that of misuse of diplomatic immunity; there have, however, been cases of breach of law, as for example, violations of traffic rules by diplomats, and appropriate representations have been made in such cases through diplomatic channels.

HEDGE TRADING IN COTTON

*872. **Shri S. N. Das:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Government are going to allow hedge trading in cotton;

(b) if so, from when hedge trading has been permitted;

(c) whether any conditions are going to be attached;

(d) if so, what are those conditions; and

(e) what is the present position with regard to the existing stock, demand and supply?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). The Government have already announced that hedge trading will be permitted from the middle of December 1952.

(c) and (d). The terms under which hedge trading might be permitted will be announced shortly.

(e) A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 13.]

FILMS IN INDIAN LANGUAGES

***873. Shri N. B. Chowdhury:** (a) Will the Minister of **Information and Broadcasting** be pleased to state which are the Indian languages in which films were manufactured in India during the year 1951-52?

(b) What are the numbers of such films language-wise?

(c) Were any films made outside India in any Indian language during this period?

(d) If so, what is their number and in which countries they were made?

The Minister of Information and Broadcasting (Dr. Keskar): (a) Films in Hindi, Bengali, Marathi, Gujerati, Punjabi, Tamil, Telugu, Kannada, Malayalam and Oriya were presented to the Central Board of Film Censors for examination. It is, however, not possible to say how many of these were actually made within the year 1951-52 or whether films were made during the period in any other language also.

(c) Yes, Sir.

(b) and (d). A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 14.]

IMPORT OF LIQUOR, SPIRITS AND WINES

299. Shri Nanadas: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the quantity and value of all types of liquor, spirits and wines imported into India during the past four years:

(b) the quantity and value of the liquors, spirits and wines produced in India during the last four years; and

(c) whether there has been recently a net increase in foreign imports and/or in the total quantity available for consumption?

The Minister of Commerce (Shri Karmarkar): (a) and (b). Two statements are laid on the Table of the House. [See Appendix V, annexure No. 15.]

(c) There has been a slight increase.

COTTAGE INDUSTRIES (DEVELOPMENT)

300. Shri Telkikar: Will the Minister of **Commerce and Industry** be pleased to state:

(a) the schemes adopted by Government to develop cottage industries in India;

(b) the places where experiments relating thereto are being carried out; and

(c) the kinds of cottage industries proposed to be developed and the success achieved so far?

The Minister of Commerce (Shri Karmarkar): (a) Although development of Cottage and small-scale industries is primarily the responsibility of State Governments, the policy of the Government of India is to give it impetus and encouragement in as large a measure as possible. The Central Government's main function is to co-ordinate the activities of the State Governments and to give financial assistance where necessary.

With this end in view, the Government of India have adopted the following schemes.—

(i) Establishment of an All-India Handicrafts Board to advise Government on the problems of the handicrafts industry and in particular to improve and develop production and promote sales in India and abroad.

(ii) Establishment of an All India Handloom Board to advise Government generally on the problems of the Handloom industry, to examine schemes for the improvement and development of the handloom industry, and to make recommendations for assistance from the Handloom Fund.

(iii) Plans are also being finalised to set up an All-India Board for Khadi and Village Industries. This Board will advise Government on methods to be adopted for effecting all-round improvement in these fields.

(iv) Grants of financial assistance to State Governments and non-official organisations for the execution of specific schemes for the development of cottage and small-scale industries.

(v) Making available funds to certain Part 'C' States every year for the grant of loans to cottage and small-scale industries.

(b) The Government of India are not themselves carrying out any experiments in regard to the development of cottage and small-scale industries. They are, however, conscious of the importance of this aspect of the problem and have given special priority to State Schemes which pertain to Research and experimentation tor giving financial assistance.

(c) The All-India Handicrafts Board have recently selected Pottery and Earthenware and Matting for concentrated development for this year. Other cottage and small-scale industries are also, however, being encouraged through grants to State Governments and private organizations for the purpose

COAL MINES STOWING BOARD

301. Shri N. P. Sinha: (a) Will the Minister of **Production** be pleased to state whether the Coal Mines Stowing Board has been constituted or not?

(b) If so, who are the present members and what are their qualifications?

(c) Are the accounts of the Coal Mines Stowing Fund audited?

(d) Do Government propose to lay on the Table of the House the last audit report?

The Minister of Production (Shri K. C. Reddy): (a) Apparently the Member is referring to the Coal Board as the Coal Mines Stowing Board ceased to function with the passing of the Coal Mines (Conservation and Safety) Act, 1952. The Coal Board was constituted with effect from the 8th January, 1952.

(b) The names of the present members and their qualifications are:—

Names	Qualifications
Chairman	
(1) Shri R. K. Ramadhyani, I.C.S. Coal Commissioner.	
Members	
(2) Shri N. Barraclough, Chief Inspector of Mines with the Government of India.	B.Sc. (Mining) & First Class Colliery Manager's certificate of Competency.
(3) Shri L.S. Corbett, Chief Mining Engineer (Railway Board)	B.Sc. (Mining) & First Class Colliery Manager's certificate of Competency.
Deputy Coal Commissioner (Production)	
(4) Shri A.B. Guha, Superintendent of Collieries.	B.Sc. (Mining) & First Class Colliery Manager's certificate of Competency.
(5) Shri M.L. Shome, Deputy Coal Commissioner (Distribution).	First Class Colliery Manager's certificate of Competency.

(c) The accounts of the Old Coal Mines Stowing Board used to be audited by the Auditors appointed by the Board with the approval of the Central Government. Under the Coal Mines (Conservation and Safety) Act, 1952, the accounts of the Coal Board will be audited by the Comptroller and Auditor General of India.

(d) A copy of the audit report of the Old Coal Mines Stowing Board, for 1950-51 is laid on the Table of the House. [See Appendix V, annexure No. 16]

HOUSES FOR MINE WORKERS IN RAJASTHAN

302. Shri Balwant Sinha Mehta: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether the Government of India are aware of the housing problem of workers in the mining industry in Rajasthan; and

(b) whether Government have under contemplation any scheme for construction of houses in that State either directly or in collaboration with mine owners?

The Minister of Works, Housing and Supply (Sardar Swaran Singh): (a) Government have not made any detailed study recently of the housing conditions of the labour employed in all the mines of Rajasthan generally. An inspection of the coal mines in that region, however, was made from this angle in 1950. There is certainly an appreciable shortage of housing.

(b) There is a scheme financed by the Coal Mines Labour Welfare Fund for the grant of subsidies to colliery owners who construct houses for their labour in accordance with the plans and specifications prescribed by the Fund. There is, however, no such scheme in regard to mines other than the Coal Mines.

SCRAP IRON (EXPORT)

303. **Shri C. R. Chowdary:** Will the Minister of Commerce and Industry be pleased to state:

(a) how much scrap iron was exported from India during each of the last three years;

(b) to which countries it is exported and what is the value of these exports;

(c) whether any amount by way of customs duty accrues to the Government of India on these exports;

(d) whether the Government of India freely encourage the export of scrap iron; and

(e) whether Government contemplate taking any steps for the internal utilisation of scrap iron?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b): A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 17]

(c) No, Sir.

(d) Only such scrap as is not required in the country is allowed to be exported.

(e) The maximum that can be used in the existing furnaces is already utilized. Government are also freely permitting the installation of new electric furnaces.

CONSUMPTION OF TEXTILES

304. **Shri A. C. Guha:** Will the Minister of Commerce and Industry be pleased to state:

(a) the *per capita* consumption of textiles in India during each of the years 1938, 1941, 1944, 1947, 1948, 1949, 1950 and 1951; and

(b) the reasons for the decrease in the *per capita* consumption of textiles, if any?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) It is not possible to state what the *per capita* consumption of cotton cloth in India has been from year to year. However, a statement showing the *per capita* availability is placed on the Table of the House. [*See* Appendix V, annexure No. 18.]

(b) *Per capita* consumption depends on various factors including the availability of cloth and the purchasing power of the consumer. The present *per capita* availability is estimated to be 14 yards, but there are indications that the consumption is not equal to availability.

FIRMS ASSEMBLING CARS

305. **Shri K. K. Basu:** Will the Minister of Commerce and Industry be pleased to state:

(a) the number and names of the firms assembling cars and trucks in India;

(b) the dates when these firms were given licences and when they came into being;

(c) the capacity of each plant and the actual output;

(d) the criteria for giving licences to firms importing parts;

(e) whether there is any cess or duty on the parts manufactured in India; and

(f) whether the import duty on parts imported was reduced during the past four years, and if so, when and to what extent?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) to (c): A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 19.]

(d) Firms which have been approved by Government as automobile assemblers/manufacturers are eligible for import licences for parts. Those who are making satisfactory progress with the manufacturing programme approved by Government, are given weightage in the grant of import licences.

(e) No, Sir.

(f) A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 19.]

ALUMINIUM

306. **Shri S. V. Ramaswamy:** (a) Will the Minister of Commerce and Industry be pleased to state the value of Aluminium annually imported into India during the last five years?

(b) Is it a fact that there are deposits of Bauxite in Salem?

(c) If so, have Government any scheme for the utilisation of these ores for the manufacture of Aluminium?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) The information is contained in the Seaborne Trade Accounts.

(b) Yes, Sir.

(c) Not for the present.

RAW MATERIALS FOR SHOE INDUSTRY

307. **Dr. Jatav-vir:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) what raw materials required for the shoe industry are imported into India from foreign countries;

(b) the quantities of various raw materials imported into India each year;

(c) the mode of distribution of these raw materials in India;

(d) the procedure and basis for issuing licenses for the purchase of these raw materials; and

(e) whether Government are aware that these raw materials are generally sold in black market and the shoe manufacturers have to pay high prices for them and if so, what steps Government are going to take for providing these materials at a cheaper rate?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) The main raw materials imported are threads, both cotton and linen, and metallic shoe grindery.

(b) A statement is laid on the Table of the House. [*See* Appendix V, annexure No. 20.]

(c) There is no control over the distribution of these imported raw materials.

(d) It is presumed that the hon. Member refers to the granting permits. If so, the question does not arise.

(e) As there is no control over the distribution or price of these items, the question of sale of these raw materials in black market would not arise. However to safeguard the interests of small manufacturers, actual users licences are being issued in favour of co-operative bodies or associations for direct import and distribution among their consuming members.

HOUSES ACQUIRED FOR HIRAKUD PROJECT

308. **Shri P. Subba Rao:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) the rate per cubic foot at which compensation is calculated for the *pucca* houses acquired for the Hirakud Dam Project; and

(b) the rate per cubic foot at which estimate is prepared for *pucca* houses built at Hirakud and Burla by Contractors on work-charged basis?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Rate per sq. foot is the unit for calculating compensation. A statement giving the approved schedule of rates for payment of compensation for different categories of houses in the area to be submerged on the Hirakud Dam Project is laid on the Table of the House. [*See* Appendix V, annexure No. 21.]

(b) It is not understood what is meant by "houses built by contractors on work-charged basis." The rates per sq. foot at which estimates are prepared vary for different types of building depending on the specifications of each type. A statement giving the rates for buildings constructed at Hirakud and Burla is laid on the Table of the House. [*See* Appendix V, annexure No. 21.]

PAY SCALES OF *Mazdoors* IN HIRAKUD

309. **Shri Sarangadhar Das:** Will the Minister of **Irrigation and Power** be pleased to state:

(a) whether all the staff excepting the labourers (*mazdoors*) working in Hirakud get the Government of India scales of pay and allowances;

(b) whether only the *mazdoors* are given Orissa scales of pay without dearness and any other allowances; and

(c) the scales of pay and allowances paid by the two Governments to *mazdoors*?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) All the regular staff are on the Government of India's scales of pay and allowances, except 'Medical' and 'school' staff who are in the Orissa scales of pay and allowances. All work-charged staff are on scales of pay which are based on scales prevalent for similar posts on other projects and are approved by the Chief Engineer in consultation with the FA&CAO, Hirakud Dam Project.

(b) *Mazdoors* employed on monthly basis are paid Rs. 40 per month consolidated; besides *Mazdoor*, other classes of establishment such as waterman, dak runner (foot), Chowkidars, Frash, Khallasi, Sweepers, Beldars, Gatekeeper, Bullockman and Cartman are also paid at the same rate. *Mazdoor* engaged on daily basis are paid Rs. 1/8/- per day;

(c) The C.P.W.D. schedule of rates in Delhi provides *Mazdoors* on daily wages as below:

Male *Mazdoor* (Beldar): Rs. 1/12/- per day.

Female *Mazdoor* Re. 1/-/- per day.

The information regarding the rate of pay allowed to *Mazdoors* by the Government of Orissa is awaited and will be placed on the Table of the House as soon as it is received.

HANDLOOM DEVELOPMENT BOARD

310. **Shri R. S. Lal:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) who are the members of the Handloom Development Board;

(b) on what basis the nominations have been made; and

(c) what is the function of the Board?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (c): A copy of the Resolution constituting the All-India Handloom Board is placed on the Table of the House. [*See* Appendix V, annexure No. 22.]

(b) Suitability of the persons nominated for the purpose which the Board is intended to serve.

NATIONAL INSTRUMENTS FACTORY

311. **Shri K. C. Sodhia:** Will the Minister of **Production** be pleased to state the amount of capital invested in the National Instruments Factory up to date?

The Minister of Production (Shri K. C. Reddy): Rs. 50,61,000.

EXPORT OF PICKLES

312. **Shri B. S. Murthy:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the value of pickles exported to foreign countries during 1950-51 and 1951-52;

(b) the varieties exported; and

(c) the countries to which pickles are exported?

The Minister of Commerce (Shri Karmarkar): (a) Pickles are recorded in official statistics under the general heading "Pickles, chutnies and condiments". Exports of the articles covered by this heading were:

1950-51	Rs. 24·2 lakhs.
1951-52 ...	Rs. 34·6 lakhs.

(b) They are not recorded separately in official statistics.

(c) (1) United Kingdom.

(2) Pakistan.

(3) Federation of Malaya and Singapore.

(4) Australia.

(5) New Zealand.

(6) Japan.

(7) Kuwait.

(8) Iraq.

(9) Saudi Arabia.

(10) Bahrein Island.

(11) British Guiana.

(12) Kenya Colony.

(13) United States of America.

(14) Canada.

INDIAN COMMISSIONER IN ADEN

313. **Shri N. Sreekantan Nair:** Will the **Prime Minister** be pleased to state what are the functions of the Indian Commissioner in Aden?

The Prime Minister (Shri Jawaharlal Nehru): The main functions of the Indian Commissioner in Aden are, (i) to promote friendly relations between India and the Government of Aden and to explain to the Government of Aden the point of view of Indians who are not permanently resident in the Colony and Protectorates of Aden;

(ii) to look after the commercial and other interests of India in those territories; and

(iii) to keep the Government of India informed of important events in those territories. In addition to these, he also performs consular functions.

EXPORT AND IMPORT LICENCES

314. **Sardar Hukam Singh:** (a) Will the Minister of **Commerce and Indus-**

try be pleased to state what rules or conventions have been adopted to regulate the issue of import or export licences to—

(i) persons or corporations (companies) who were accustomed to import or export the articles covered by the licence before the policy of regulating such trade by the system of licences was introduced; and

(ii) new comers, who had not imported or exported any quantity of the articles coming under this licence system, but who are prepared to comply with all other terms or conditions for the issue of such licences;

(b) What is the maximum and minimum value of each such licence required by the terms of the licence and what is the period during which the licence is valid?

(c) What safeguards are adopted to see that the system of licensing does not result in a virtual monopoly of trade in the articles concerned for a limited number of persons and any other similar abuse of the system, such as bribery and corruption affecting the issuing authority?

The Minister of Commerce (Shri Karmarkar): (a) and (b). Rules to regulate the issue of export or import licence is published from time to time in the *Gazette of India* and printed publications issued by the Government of India, copies of which are placed in the Library of the House of the People.

(c) In a large number of articles covered by licences issued on a quota basis worked out on the imports during a period most favourable to the licencee the member who could obtain licences are so many that no monopoly is possible. In the case of a number of such articles a small quota is reserved for new comers. Safeguards are provided by the lists of licences issued under the export and import trade control containing details of the commodity, value and the names of persons in whose favour they are issued, being published in the weekly bulletins issued by the Government of India. It is therefore open to anyone to bring to the notice of Government any case of irregular issue of licences or abuse of the licensing system by any person.

Date...... 20.11.2014

THE
PARLIAMENTARY DEBATES
(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Tuesday, 2nd *December*, 1952.

The House met at a Quarter to Eleven of the Clock.

[SHRI H. V. PATASKAR *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part* I)

11-50 A.M.

LEAVE OF ABSENCE

Mr. Chairman: I have received a letter from the hon. Member, Shri Raj Chandra Sen. The letter reads thus:

> "I have the honour to inform you that owing to ill health, it is not possible for me to attend the present session of Parliament. In fact, I left my home on the 31st October last to attend Parliament beginning on the 5th November, but on my way at Jaipur I got ill suddenly, and under medical advice I had to return home. Here, on further medical examination I was ordered complete rest for sometime as the diagnosis was nervous breakdown.
>
> "Under the circumstances, there is no alternative for me but to request you that permission may kindly be granted to me for leave to be absent from the present Session of Parliament. It is hoped that my request would be considered sympathetically and the decision of yours would kindly be communicated to me early, if possible by telegram".

Is it the pleasure of the House that permission be granted to Shri Raj Chandra Sen for remaining absent from all the meetings of the House during this session.

Leave was granted.

INDUSTRIAL FINANCE CORPORATION (AMENDMENT) BILL

Mr. Chairman: The next item is the further consideration of the following Motion moved by Shri M. C. Shah on the 25th November 1952:

> "That the Bill further to amend the Industrial Finance Corporation Act, 1946, be taken into consideration".

Dr. S. P. Mookerjee (Calcutta South-East): I was speaking at that time, Sir.

On the last day the House was considering the need for Government giving us fuller information regardng the working of the Industrial Finance Corporation and specially from many sides of the House including from various Members of the Congress Party, a suggestion was made that the names of the companies to whom assistance had been given should be disclosed. As you know, Sir, a few days later the Prime Minister made a statement dealing with this point. He mentioned in his statement that the Finance Minister, who is now away from India, had followed a certain policy in this behalf and it was his desire that the names should not be disclosed to the public or to the House. And the Prime Minister said that while he sympathised with the viewpoint expressed by several Members in the House on this matter, it would not be desirable to make any change in the present policy. He concluded his statement by saying this:

> "These questions having been raised, we hope to take them up and consider them when the Finance Minister comes back. We could consult representatives of the House too at that time and have their views and then inform the House about this matter".

Some of us feel that it might be desirable to postpone consideration of this Bill until we have an opportunity of knowing all the facts, and that was suggested, in fact, by my friend, Mr. Hiren Mukerjee. The Prime Minister's reply was not quite clear as regards

[Dr. S. P. Mookerjee]

the suggestion, and I would like to repeat that unless there is any insuperable difficulty, we might postpone consideration of this Bill until we have all the facts before the House so that we can contribute more effectively to a useful discussion of this very important matter.

Shri H. N. Mukerjee (Calcutta North-East): May I, Sir, point out one matter which is relevant to the point which has been raised by my hon. friend, Dr. Mookerjee? I find in Rule 197 of the Rules of Procedure and Conduct of Business in the House of the People that the Public Accounts Committee of the House is entrusted with certain very specific functions. In Rule 197, sub-section (2) it is said:

> "It shall be also the duty of the Public Accounts Committee to (b) examine the statement of accounts showing the income and expenditure of State Corporations. Trading and Manufacturing Schemes and projects together with the balance sheet of statements of profit and loss accounts which the President may have required to be prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading concern or project and the report of the Comptroller and Auditor General thereon".

Now, Sir, in view of this specific provision in the Rules of Procedure which is on the analogy of what happens in the House of Commons, the Public Accounts Committee has access to whatever is being done by the Industrial Finance Corporation. In that case, I submit, there is no tenable reason why Government should fight shy of divulging certain particulars, on which the Prime Minister the other day also felt that there was some justification for our demand that these particulars should be divulged. I submit that in view of this, it shall be the duty of Government to let us see the particulars we have asked for. In that case, we can proceed more expeditiously and effectively with the discussion of the measure before the House.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): I do not see, Sir, any connection—and I say that with all respect—between divulging or not divulging these particulars and the continuance of this Bill at this stage. All I have to say is that the Government is not at all fighting shy of divulging anything. I merely stated that certain undertakings have been given by the Finance Minister to these other persons concerned. And the Finance Minister stated that it is not right for us to upset all the assurances given by Government,—I am not going into the merits of the questions—and certainly it is not right when the Finance Minister, who was a party to that assurance, is not here.

Now, we can examine the past and consider what should be done, and what is perhaps easier would be to examine the future too as to what should be done. This is not a very intricate matter. I look upon it more from the point of view of having given an assurance and that we should not break it without proper steps, enquiry etc., and a reference to the people concerned; that is all.

As for the postponement of this Bill, I understand that would create considerable difficulties if it is postponed because that will hold up certain matters, certain finalisations of certain loans from the International Bank. So, it would not be desirable to postpone this Bill, Sir.

Dr. Lanka Sundaram (Visakhapatnam): In the light of the statement of the Prime Minister, may we know, Sir, whether Government would reconsider their decision with regard to sending the Bill to the Select Committee? That is a place where we can sit together and consider these matters.

Shri Jawaharlal Nehru: Sorry, Sir, this is not a matter for the Select Committee to consider.

Mr. Chairman: The idea is that the Bill may be referred to a Select Committee.

Shri Jawaharlal Nehru: The question that is raised is not going to be decided by the Select Committee.

Dr. S. P. Mookerjee: I will just explain, Sir. The Prime Minister can then make up his mind. I quite appreciate the force of the argument that the delay beyond the current session in passing this Bill may make it difficult for India to receive the foreign loan about which certain commitments have been made and I believe it has almost reached the stage of final agreement. But the reason why we were suggesting that the matter should go to the Select Committee was not only to consider the names of particular companies to whom assistance has been given—far from it—that is only one aspect. As the amending Bill indicates, a number of important changes have been proposed to be made regarding the functioning of the Corporation. We have already made some useful suggestions as regards the manner in which the Act should be further amended. It is not possible for the House to discuss these details unless the matter goes through the Select Committee and we are given a full chance to present our viewpoints there so that with the combined efforts of the Government as also others, who may not see eye to eye with Government on all matters, we may be able to formulate a revised Bill. That was the reason why we wanted a reference to the Select Committee.

Of course, so far as this particular point is concerned, namely, the delay in our getting this loan, that also is an important factor and we have to bear that in mind. I am told that the loan may come to nearly eight crores of rupees. If we get this eight crores of rupees by way of loan, this means that the Corporation will be enabled more effectively to give assitance out of its own resources to companies which are already functioning in India and if that is delayed by another three or four months, it may create practical difficulties. If the Prime Minister agrees that the matter should come back before the House at the earliest possible opportunity, we may have a day allotted for discussion of this point and then, if there is agreement with regard to the amendment of some of the provisions of the Act in the light of suggestions that we are going to make, that procedure might also be followed at a later stage.

12 NOON

Shri Jawaharlal Nehru: We did hope, Sir, that this Bill might be enacted by the end of November, from the point of view of that loan, because there is a possibility of things happening in regard to the rate of interest and, in fact, we have slightly over-shot the mark and I do submit that at this stage to postpone it or delay matters might not be to our advantage. And I do not really see any necessity for it. I think this House considered to a fair extent on the last occasion, and I believe some amendments were also accepted and I am told—naturally I am not seized of every detail—that special consideration bas been given to these amendments and such as can be accepted have been or will be accepted.

Shri S. S. More (Sholapur): May I know from the Prime Minister whether any specific assurance has been given by the Finance Minister that nothing could be disclosed even to the Members of Parliament, which is supposed to be the sovereign authority?

Dr. S. P. Mookerjee: In the course of this debate certain important issues have arisen, which not only affect the working of this particular Corporation but which also affect the working of other statutory corporations. And it is necessary, Sir, that these general questions should be carefully examined by the House, by the Speaker and also by Government, so that we can lay down uniform rules of procedure not only for this particular Corporation but also for other similar institutions.

So far as the reports which are now available to us are concerned, in going through them we are certainly impressed by the lack of information which characterises the portion dealing with the classifications of loans and advances. If you look at page 4 of the last report, you find, Sir, that all that is mentioned there are types of industries and the loans sanctioned during the year ending 30th June, 1952, the amounts sanctioned up to year ending 30th June, 1951 and the total thereof. Nothing more. A further note bas been circulated to the Members of the House and there we find a little fuller information, namely, the total amount sanctioned in respect of each of these industries and also the amount which has been paid up to date.

Now if I may draw the attention of the House to this paper which bas been circulated to us, an interesting point arises out of that. I find, for instance, in the case of an important industry like Electrical Engineering, no details are given. The only thing that is mentioned is 'Electrical Engineering' and the total amount sanctioned comes to Rs. 1,14,50,000. On the other hand, the amount paid is only Rs. 44,25,000. In other words, a sum of nearly Rs. 70,00,000, though sanctioned for the development of a very important sector of our industry, has not been taken by the companies to whom they have been granted. A similar observation applies with regard to chemicals. Rs. 186,00,000 have been sanctioned but actually only Rs. 39,00,000 have been availed of till 30th June, 1952. In other words, the Corporation was impressed by the need for developing the chemical industries of the country. It was prepared to advance money to the tune of Rs. 186 lakhs, but only Rs. 39.62 lakhs have been availed of up till today. The sugar industry, I find, was sanctioned Rs. 115 lakhs but the amount drawn up till now is only Rs. 20 lakhs. No explanation is given as to why such large sums of money which have been sanctioned for the development of these important industries have not been utilised by the industries concerned. The explanation may be satisfactory or may not be satisfactory. I do not know that. But for us, Members of the House, who are being asked today to consider an amendment of this important Act and also to examine how it has been actually working during the last few years, this sort of meagre information is hardly satisfactory.

[Dr. S. P. Mookerjee]

Now, what is the type of information that we would like to have? This is apart from the disclosure of the names. It may be somewhat controversial to refer to that, although we feel that disclosure of names will not create any such serious position. But apart from that, we would first of all like to know the regional distribution of such assistance as has been given by the Corporation. Secondly, we would like to know how far these loans have been for new investments and how far they have been for replacements of industries that already exist.

The Minister of Revenue and Expenditure (Shri Tyagi): On page 7 of the report, the regional distribution is given.

Dr. S. P. Mookerjee: That does not give any information at all. It says something about the total sum given, but I want to have the information industry-wise for each State.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Page 7 refers to the State-wise distribution.

Dr. S. P. Mookerjee: To continue my speech, thirdly, we want to know the purposes for which the loans have been given. It is all right that you say that so many lakhs of rupees have been for such and such an industry, but we would like to know the exact purposes. Fourthly, we would like to know how far the loans have been integrated with the plan for the development of industries through the private sector. This is an important consideration, because we must take an overall view of the industrial development of the country and the House must be in a position to examine how far this assistance is going to enable us to realise the aim which we have in view. Fifthly, we would like to know how far the loans have been granted to companies which are not in a position to raise loans from the market. I shall presently place before you the considerations which have weighed with foreign countries in the working of similar Acts and there you will find that one consideration is that this assistance is mainly meant for those concerns which cannot easily raise money through the ordinary channels. Next, we would like to know the nature of the performance of the companies to whom assistance has been given. Next, we would like to know something about the conditions attached to the loans. Are the conditions similar in respect of all loans, or are there any special conditions attached to some loans in view of the special circumstances of particular cases? Of course, lastly comes the disclosure of the names of the concerns to whom the assistance has been given.

As I said a few minutes ago, certain important points have arisen in the course of this debate and one of them is how far should the Parliament have the right to interfere with the working of such statutory bodies. This Corporation is not really a government concern. It is not a State organisation for the matter of that. It is more or less an autonomous body, but there are certain special relations between the Government and this organisation. This same question has come up before the House of Commons in England too during the last few years, and there also the British Parliament has not been able to evolve a satisfactory system for the purpose of exercising such minimum control over the activities of such statutory corporations as Parliament would otherwise consider desirable. This point has been dealt with in a special article which appeared sometime ago in the *Journal of the Society of Clerks of the Table in Empire Parliaments*. This article deals with Parliaments and the nationalised industries, and British parliamentary practice in that respect. Of course, it is not strictly applicable to this Corporation, because this Act does not deal with a nationalised industry as such, but the considerations which have weighed with the House of Commons in relation to the control which should be exercised by Parliament over such statutory bodies can fruitfully be borne in mind in our country also, because the number of such statutory organisations is now increasing and we find unfortunately from the attitude of Government that there is a lack of readiness on their part to place all the materials and facts before the House. In fact, if the materials are placed before the House the House will not necessarily take up a hostile attitude, and it is quite possible that the different parts of the House may be in a position to make useful suggestions to enable Government to exercise its due control in this matter. Now, in that article reference is made to the different procedures which have been laid down. First of all, you can ask questions. Secondly, a certain hour may be allotted by the Speaker for dealing with such matters if the Speaker considers that opportunity should be given to the House to obtain more information. Then, there may be a motion for adjournment. Of course, adjournment motions are more or less theoretical in our country. They are on paper, and we have not been able to utilise them fully. Perhaps that has not been found necessary. Next, there may be a special day allotted for a discussion of this important question. Then, as my hon. friend Mr. Hiren Mukerji just now read out from our own rules, the Public

Accounts Committee and the Estimates Committee are given special opportunities to discuss the affairs of such Corporations and go into the details. Such details cannot obviously be examined on the floor of the House. So far as our rules are concerned, I do not know how far the rule which was read out by my hon. friend is exactly applicable to a corporation like this. If the rules do not permit the Public Accounts Committee to consider the activities of a corporation like this, then they may have to be amended.

Shri B. Das (Jajpur-Keonjhar): The Public Accounts Committee does examine these matters.

Dr. S. P. Mookerjee: I am very glad that the Chairman of the Public Accounts is wide awake and he is able to deal with this question at the appropriate time through the Public Accounts Committee. But even in England, it has been found that both the Public Accounts Committee and the Estimates Committee are not always in a position to have such a thorough and detailed examination of the working of these statutory corporations as may be considered desirable or useful. So, now a suggestion has been made that there may be a special committee of the House to deal with the activities of such statutory bodies. So far as the general principles or policies are concerned, the matters may come up before the House, but so far as the detailed examination goes. It may be left to a committee of the House.

Now, Sir, let us for a few moments look at our own Act and see what powers we have given to the Government with regard to the working of the Industrial Finance Corporation. First of all, I would draw the attention of the House to Section 6 of the parent Act of 1948. It will not do for the hon. Minister to say that it is an autonomous body, and he is helpless. It is not an autonomous body to that extent. There is a special power given to Government under Section 6 of the Act:

> "The general superintendence and direction of the affairs and business of the Corporation shall be entrusted to a Board of Directors which with the assistance of an Executive Committee and a Managing Director may exercise all powers and do all acts and things which may be exercised or done by the Corporation."

That is sub-clause (i). Then the Board in the discharge of its functions—it is laid down here—shall act on business principles, due regard being had by it "to the interests of industry, commerce and the general public." I would draw the special attention of the House to these words which were deliberately put in in the statute that we had passed, because I shall have something to say with regard to the working of the British Corporation and I would impress upon the Government the need to be vigilant about the working of such Corporations. This body is not like an ordinary commercial organisation. It has certain specific duties to perform and the general directive is to be given by Government. If you look at sub-clause (iii) it says that in the discharge of the said functions, "the Board shall be guided by such instructions and questions of policy as may be given to it by the Central Government" and if there is any dispute as to what is a question of policy "the decision of the Central Government shall be final". Further, if the Board fails to carry out the instructions on a question of policy, then this statutory and autonomous organisation can be superseded by the Central Government by an executive order and a nominated board can be set up until a properly constituted board is formed.

So, the entire framework of this indicates that it is not just like an ordinary bank giving loans to individual companies. It is a special organisation set up by an Act of Parliament and the general lines of its policy are to be formulated by Government itself and Government has even the final authority to supersede it, in case its instructions are not obeyed. I was rather amused to find an atmosphere of helplessness which was created by the Minister when he failed to give information, necessary and useful information, that we had asked for the other day. He is not really so helpless; he can call for any information.

The Deputy Minister of Finance (Shri M. C. Shah): I said that Government can and Government does call for information. I have never said that Government is helpless.

Dr. S. P. Mookerjee: Then Government does not realise its duties. It is helpless not to realise what its duties are.

If you refer to section 35, you will find that it gives details of returns which are to be submitted. The statements will be in the prescribed form and the annual accounts, etc., will be laid on the Table of the House. Here there is a lacuna. I shall immediately draw your attention to what has been done in England and Canada. Though section 35 prescribes that the financial statements will be in the prescribed form, that is, form prescribed by Government, the report of the working of the Corporation during the year will be submitted by the Corporation itself. Technically, it may be said on behalf

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of Government that the information that we are asking for and some of the items I have indicated just now, naturally cannot be included in the report, unless the corporation itself decides to do so. If there is any such lacuna in the wording of the Act I would suggest that the Act should be modified and it should be clearly laid down that the Corporation will furnish any information as may be required by Government and even the manner in which the statement is to be presented before the House can be indicated by Government.

In Canada there is a similar Act which was passed in 1944. There, though it is a statutory corporation, the manner in which the returns are to be submitted has been so clearly indicated in the Act itself that the responsibility of the Minister for Finance is properly fixed. So far as the Canadian Bank is concerned, its purpose is:

> "to provide financial assistance mainly to small and medium enterprises which are demonstrably sound, but which might not otherwise be able to get credit on reasonable terms and conditions."

So far as making the activities of the organisation known to the Public and to the Legislature in Canada is concerned, there are specific provisions in the Act itself. Section 29 of the Canadian Act deals with returns. It deals, in the first place, with monthly returns to be submitted to the Minister in such form as the Minister may prescribe. Secondly, it refers to a statement of classification of loans and investment in such form as the Minister may direct. Thirdly it prescribes for an annual statement of accounts to the Minister and there also it lays down that the annual report of the Bank will be as the President of the Bank may decide and also as the Minister for Finance may decide. If the latter decides that the statement should be in a particular manner, the bank must accept that.

Then comes reports to Parliament. We here have also provided for reports to Parliament. Lastly, all these statements and reports which the Government may receive from the Bank shall be published in the next succeeding issue of the Canada Gazette following its receipt by the Minister of Finance. Such a provision obviously cannot exist with regard to ordinary commercial banks. It discloses how intimate the relation is between such specialised agencies set up under a Statute and the Government of the day.

Shri Tyagi: It is more intimate here.

Dr. S. P. Mookerjee: Quite true. I know how my friend Mr. Tyagi wants intimacy with regard to all vital matters. So I hope he will at least accept my suggestions and amend the provisions of the Act and make this contact even more intimate and durable.

This question came up before the House of Commons in 1945 and I would like Government to consider the manner in which that House dealt with this question and the procedure which was laid down for dealing with the activities of the Finance Corporation there. In the first place, I should point out that the Corporation which has been established in the U.K. has not been established by statute. It is a Corporation for granting assistance, more or less in the manner in which we are doing—in fact a little more, because they also give equity loans. The point which I raised in my speech the other day,—the need for granting equity loans, for providing for risk capital by the Corporation was accepted from the very beginning of the establishment of the Corporation in England and members belonging to different parties emphasised the need for maintaining that structure. Now, although in the United Kingdom, the Corporation was not established by Parliament, but was established under the Company law, yet the question arose how far Parliament should have the right to interfere with the working of the Industrial Finance Corporation. Now the reason why Parliament's authority was dragged in was that the Bank of England which was a nationalised concern was responsible for giving birth to the Industrial Finance Corporation in England. Since the Bank of England was a nationalised concern, the question was raised that a body which was being created by this primary nationalised concern in the U.K. must also be subject to some sort of control by Parliament, although it was not a direct creation of the British Parliament.

This question came up before the House of Commons in January 1945. The then Chancellor of Exchequer, Sir John Anderson, was not prepared to supply the information—not that he was unwilling, but it was not clear to his mind how far Parliament was entitled to all such information regarding the working of the Finance Corporation. The Corporation had not then come into existence and a wish was expressed by members of the House of Commons belonging to all parties that the procedure should be laid down from the very beginning so that the House, the new Corporation as also the public and the intending applicants may know where exactly they stood. The Speaker ruled that the question should come up for a special debate when the House of

Commons would sit in committee. I do not wish to read out the proceedings in their entirety, but they do give us interesting materials as to now we should be able to guide our own policy with regard to the working of our Corporation which is by the way a direct creation of Parliament and in respect of the work of which Government has a very definite say. Now the discussion was started by Mr. Pethic-Lawrence, as he then was, on behalf of the opposition and various view-points were expressed. There was the extreme view-point expressed that Government should have nothing to do with the working of such institutions and very strongly it was urged that if such interference took place, it might create all sorts of practical difficulties. One member, Sir H. Williams who was connected with some of the important banking institutions in England, took up the cudgels and he came out with very strong words against possible interference by the Treasury. He was referring to the indirect pressure put on the subscribing companies, so as to create this new Finance Corporation, insurance companies and other companies—and how pressure was put upon them by the Government for the purpose of subscribing the capital of the new Finance Corporation. These were his words:

> "It is a case of complete dictatorship by the Treasury, and the banks and insurance companies never daredsay a word. The biggest lot of political rabbits in this country are the chairmen of the big banks. They dare not stand up to the Treasury, and it is no good the Chancellor of the Exchequer, with his innocent face, pretending otherwise." (That is for the two friends sitting there). "They (these heads of business) are always politically timid, and whenever they go on deputations to a Minister they fawn on him. We make Ministers far too important. That is why I am always trying to 'debunk' them." (He points to the Ministers and specially to the Chancellor of the Exchequer and says) "These pleasant-looking fellows are sometimes the worst bullies. If a man looks really fierce, you take precautions. The Chancellor is always so genial" (this is for Mr. Tyagi in particular) "that he undermines us, because we do not realise how brutal he may be."

This was an extreme point of view which was raised there, that in the working of such Industrial Finance Corporations the Government should have no say in the matter, and they were unnecessary.

The other extreme demand was made by the Labour Party and its spokesman was Mr. Bevan himself. The point which was raised was this. It was said by the Prime Minister here the other day in his statement that ordinary commercial banks do not disclose their secrets. Mr. Tyagi also said it, my friend Mr. Shah also said the same thing. But it was repeatedly pointed out and it was accepted that these institutions are not like ordinary commercial banks, and although normal commercial principles will not be ignored it is not a question of a profit-making motive. Its ground is something deeper. Here the State comes forward directly or indirectly, and these specialised institutions want to lend a helping hand to deserving industries, not in a spasmodic or haphazard manner but definitely to strengthen the national economy of the country and to advance the industrial growth of the country. That is how the public interests came. What is our position here? In the report which we have been reading it is pointed out that since the creation of this Corporation we have contributed about Rs. 27 lakhs for guaranteeing the minimum dividend of 2½ per cent. So, Parliament has undertaken responsibility. It is not as if the institution is functioning in a vacuum. We have very much to do with it and we have to satisfy ourselves at every stage that the institution is working in a manner which is to the best interests of the country. We have taken shares to the tune of Rs. 1 crore. The Reserve Bank, which means our own nationalised concern has, taken Rs. 1 crore. So, we have been responsible for contributing Rs. 2 crores to the capital of this Corporation. Then we have declared our readiness to under-write. And I do not know for what amount at a later day Parliament may be asked to foot a Bill. The minimum interest which we guaranteed has up till now taken about Rs. 27 lakhs from us. But with all these foreign loans that are coming and the shipping activities and so forth it is quite likely that the liability of Government, and therefore of Parliament, will increase in the future. In India we have all these special considerations, where Parliament has a very definite role to play in the working of this institution. But so far as the British pattern was concerned, there was no question of any guarantee by the Government, except of course the Bank of England which was a nationalised concern. But there the same question arose, the same demand was made which was made on the floor of this House that this should not remain a private institution but that it should be nationalised.

I was in the Government at that time when the question was first discussed

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and I remember that this point was taken into consideration, that after some experience we should be able to change the character of this institution and turn it from a private Corporation to a regular, full-fledged State Corporation. We are entitled to ask Government, now that important amendments are being made in the structure of the parent Act, when will the time come when this important step will be taken by the Government? If the Government agrees to refer the Bill to Select Committee all these important questions can be discussed there sitting round the table. I know there are some points to be kept in view which it will not be possible for us to discuss on the floor of the House, and all of us in a genuine spirit of co-operation were anxious that the Bill should have gone to Select Committee for a fuller discussion.

Coming back to the proceedings of the House of Commons, one class of critics went to the extreme limit, of no interference by Government at all, and in fact no need for the Corporation even. Mr. Bevin came forward, he was the main spokesman of the other school, and he said that Parliament must be in a position to have its say with regard to the working of this institution. Here are a few words from Mr. Bevin's speech which I may read. One Member speaking for the Conservative Party had said that so far as public interest was concerned, the public point of view would be borne in mind by this Corporation, and so it was not necessary that the matter should come up before Parliament. And this is how Mr. Bevin replied:

> "My right hon. Friend the Chancellor of the Exchequer may say, in reply, that they will take into account the public interest" (they means the Corporation). "But since when has this House decided that consideration of the public interest shall be farmed out by the House of Commons to some other body? It is we who exist to consider the public interest. It is the job of banks to consider the commercial interest, not to make decisions on public grounds; because once the banks are allowed to do that we have abrogated the functions of Parliament. The elected representatives of the people should determine what is and what is not in the public interest. This is a typical conception of a totalitarian State—that you empty out of the elected assembly the functions it normally possesses, and hand those functions over to finance corporations."

Then he was interrupted by Sir George Schuster, who incidentally occupied the Treasury Benches as Finance Minister here in that very place where Mr. Tyagi or somebody else is sitting. He interrupted Mr. Bevin and asked: "If, on public grounds, I subscribe £50 to a charity, am I abrogating the functions of Parliament?" And this was Mr. Bevin's reply:

> "That is a matter of private sentiment. Who is the arbitrator? The arbitrator of what you should do with your £50 is yourself; the arbitrator of what you should do with somebody else's £50, must be the House of Commons. What the Corporations are deciding is not what to do with their £50, but how to use the public credit."

It was put very tersely. And mind you, it was a case where there was no question of the House of Commons sanctioning a guarantee for the functioning of this Corporation. But even then, in view of the fact that the Bank of England was the promoter, and the question of public interest was the foremost consideration and not functioning of an ordinary commercial banking organisation, this attitude was taken up. Of course the demand was made by Mr. Bevin that it should be a completely State organisation. This is what he says about the possibility of corruption and favouritism:

> "A very large number of concerns will be coming to these Finance Corporations, and we want to be satisfied (in the House of Commons) that, when they make their applications, their cases will be decided, not merely upon commercial grounds—because the commercial grounds will be uppermost where a marginal concern is involved—and we are anxious that the operations of these concerns should be conducted in the light of day. *** Unless it is carefully guarded and surrounded by all sorts of proscriptions and directives, the door is wide open for nepotism, corruption, favours and all sorts of things like that. Indeed, Members of Parliament are driven by their own Constituencies, and by the chambers of trade in their own areas, to try to get special provision made for their areas, so that we are, now, really in a great difficulty."

He summarizes the point of view of the Labour Party on this measure like this.

Shri Tyagi: The tone of the Opposition is common everywhere!

Dr. S. P. Mookerjee: Yes. Your tone was similar when you were on this side, but the tiger coat has changed!

This is what he said:

> "We, on this side of the Committee, having considered this matter, have said that qualitative direction of capital should be entrusted to an investment board."

Not from a party point of view. In fact I was greatly interested to find that the attempt of all Members, no matter to which party they belonged, was to find out the conditions for the creation of a Corporation which would really function as a first-class body enjoying the confidence of all concerned. As I shall presently place before you the final reply of the Chancellor of the Exchequer, Sir John Anderson, you will appreciate how he immediately accepted a compromise formula which our Government is hesitating to adopt even today.

> "Therefore, we on this side of the Committee, having considered this matter, have said that qualitative direction of capital should be entrusted to an investment board, whose decisions should be public, whose directions should be known, and the general policy of which should be laid down by this House so that it might be reviewed from time to time. So open, so public, and so objective and factual would be the directions given to the investment board, that any possibility of undue influence would be ruled out. In fact, as my hon. friend says, things would be perfect. No one suggests that secular institutions of this sort are ever perfect, but what I do suggest is that, if they are imperfect, if they develop faults, then the faults should be discernible and traceable so that correctives can immediately be put into operation. But, if we shift this away from a public institution, where it can be scrutinised, and put it behind the closed doors of banks, making it the function of an irresponsible organisation, then we foster corruption in the State long before the State is able to recognise where the corruption starts and to what extent it spreads. We, therefore, suggest that the State should create a financial institution; not a bastard institution which has neither counter-checks of private competition, but an investment board over which this House could have continuing control."

The reply was given by Sir John Anderson who was the Chancellor of the Exchequer and he formulated the Government attitude with regard to this matter. He said:

> "I am in no way ashamed of the part I have played in this matter. We are going to have a close integration of the activities of these organisations—which are essentially a product of private enterprise—with the activities of the Government. From my point of view, it will, I am perfectly sure, be a great advantage to have in existence bodies operating on the considerable scale which is here contemplated, with which not only I, but my right hon. Friend the President of the Board of Trade, will be in more or less continuous touch These bodies will be assisted, not only by regional organisations, but there will be, in the case of the larger body, an advisory committee of a representative character available for consultation."

Then, Sir, he lays down what has to be done with regard to the Parliament.

> "Before this.........was decided upon questions were raised as to the limits of the responsibility which Ministers could fairly be expected to assume for the working of these Corporations. I would like to give the Committee, in general terms, my own idea of how the thing should work. It seems to me that Ministers may fairly be held accountable, and be called upon to furnish information and answer questions and, if need be, criticisms, in the House, so far as the operations of these institutions affect the general economic policy of the country, so far as they may bear upon specific items of policy, such as the cheap money policy, the general investment policy, and the problem of inflation, which may in future be a very serious preoccupation, not only of the Government but of organisations such as these. There is the very important question of the Capital Issues Committee."

As you know, Sir, both the Capital Issues Committee and the Finance Corporation were to approve of a particular scheme; Sir John Anderson continued:

> "these are all matters in regard to which Ministers can be held responsible. On the other hand, when it comes to the detailed working of these institutions, and bow they set about examining particular applications, what terms they charge, and matters of that kind, concerning the internal economy of the organisations, while Ministers may be asked to provide such information as they possess—and I have no doubt they will be willing to give it—they should not be held answerable, because these matters will be beyond their scope."

Shri Tyagi: I hope you will appreciate the last point.

Dr. S. P. Mookerjee: I do not know who has to appreciate, I or Mr. Tyagi.

An Hon. Member: Both.

Dr. S. P. Mookerjee: What is the upshot, how does the Government in U.K. put the thing before the House? Although the Corporation was not a statutory body, the Minister will consider himself responsible with regard to the general policy of the institution. There was no question of withholding information from the House there. That is our charge against Government. We are not saying that the Government will be held responsible for all the detailed activities of the Industrial Finance Corporation. No one on this side has made any suggestion like that. All that we wanted was more information. If the information were readily given, perhaps all these discussions would not have taken place. We have one Member. Mr. Khandubhai Desai, who is a Member of the Board. I do not know whether he is authorised to disclose the information that we have asked for. The entire details are with him.

Shri M. C. Shah: Except the names we are prepared to give all possible information.

Dr. S. P. Mookerjee: Why not the names?

Shri M. C. Shah: We never said we are not prepared. Except the disclosure of names, we are prepared to give all possible information.

Dr. S. P. Mookerjee: I cannot understand why names should not be given. We should know how the Corporation has set about examining particular applications. As Sir John Anderson said, if information is asked for and if it is before the Government, it will be placed before the House but the House cannot obviously hold the Government responsible for the manner in which such detailed working took place.

Now. Sir, as I said at the beginning, we have to lay down our own procedure with regard to the working of such organisations. I fully realise that it will not be desirable for the House such as this which is so large to turn itself into an executive body nor is it our intention. We would like to satisfy ourselves that the main purpose is being fulfilled. We are anxious that the Corporation should work in such a manner that there may be no cloud or suspicion in anybody's mind that any favourtism has been shown or even unintentionally any particular sector of industry has been left out. How is it possible for us to make suggestions unless full information is placed before the House? The Prime Minister said that in the absence of the Finance Minister, no final decisions can be taken. I appreciate that point of view because the Finance Minister has taken a certain definite stand on this issue. When he comes back we should have an opportunity of discussing the whole matter not only with regard to the disclosure of names, because this is only one small part of it, but also with regard to other points which I mentioned a few minutes ago and also such other information which is not available in the reports which have been circulated. We would like to know what Government's policy is with regard to equity or risk capital. We would like to know whether the conditions of the foreign assistance which is coming are not such as may make it difficult for the Indian sectors of the industry to develop properly. These are important questions of principle which have to be discussed with an open mind. I hope that even at this stage, it will be possible for Government to accept the reference to the Select Committee so that we can consider the matter in the course of the next few days and come back before the House with our detailed recommendations. If that is not possible, an assurance should be given by Government that after the return of the Finance Minister, one day or two days would be allotted so that we can discuss the Bill from all these points of view which have been placed before the House. Specially a note should be circulated containing all the information that we have asked for, so that the discussion can be real and helpful. Later on, Government should be prepared to make the necessary amendments to the Industrial Finance Corporation Act pursuant to the suggestions which may be made by the House and which may be found acceptable to the Government.

Shri Bansal (Jhajjar-Rewari): After this sledge-hammer speech of Dr. Mookerjee, I do not know where a small fry like me stands. What impressed me most in his speech was the readiness with which he browsed reports emanating from foreign countries and ignored the reports of the Industrial Finance Corporation. I am sure, if he had gone through the reports which are available here regarding the working of our own corporation with half the zeal with which he went into the reports of similar bodies in foreign countries, he would have been much better instructed to participate in this debate.

As always happens, when a person devotes too much attention to books and begins to quote from books, he lands himself in contradictions. One of the contradictions into which Dr. Mookerjee landed himself was that while, on the one hand, he was advocating Parliamentary control over the activities of this Corporation, he said that the activities of the Bank, at least in the UK, according to Mr. Bevan whom he quoted, was to look after commercial interests. Our Corporation, as he himself says, is a quasi Government corporation. When applications come to the corporation, it has got to look into the applications on their merit. The Corporation cannot go into the order of priority or the Government's overall planning policy while granting applications. I will give you an example. Suppose there were two applications before the Corporation. One, on the face of it and on all considerations, is a better application, from the point of view of security, from the point of view of coming into production in the shortest time, from the point of view of placing the industry on its feet. The other, is a better application from the point of view of priority, and is of a better nature from the developmental point of view, but the capital structure is not good enough and secure, and the management is not sound enough. I would ask Dr. Mookerjee, if he were the Chairman of the Board, which application he will sanction. I am sure, as Chairman of the Corporation, he would be bound to sanction the application which stands on a better footing as regards security and as regards the coming into operation of that particular industry. Therefore, this question of overall planning overall priority is a question for Government to decide. After all, in the Act it is laid down that Government will advise the Corporation from time to time as to what general policies it has to adopt. If per chance the Government has failed there, I am not a whit behind Dr. Mookerjee in blaming the Government. After all, it must be the policy of the Government to see that the Corporation gives loans according to a certain order of priority. It was not the fault of the Corporation if they failed to do so. What evidence has Dr. Mookerjee to show that the Corporation has failed to sanction the applications of deserving concerns? These complaints are always bound to come from disgruntled concerns. Whenever a concern does not get a loan, he will always go to Dr. Mookerjee or to Mr. Guba......

Dr. S. P. Mookerjee: No one has come to me. The successful have gone to Mr. Bansal.

Shri Bansal: No. Now that I have been asked, I will tell you who came to me. All these four years, one gentleman came to me. He was from Bengal. The only qualification that he had for getting a loan was that he was the son of a big political leader. I asked him, political leaders do not make a very good concern, but...

Shri Gadgil (Poona Central): They run the Government, the biggest concern. What do you mean?

Shri Bansal: Not an industrial concern.

Pandit Algu Rai Shastri (Azamgarh Distt.—East *cum* Ballia Distt.—West): Is it disclosing names?

Shri Bansal: I am not disclosing names. Naturally, that application was rejected. I told him frankly, I am not in a position to help you, not even put in a word with the person concerned.

The only crime about which so much fuss has been made is that the names of the concerns have not been given. Is it the fault of the Corporation? It has been laid down in the Act that this information will not be supplied.

Dr. S. P. Mookerjee: In the Act?

Shri Bansal: Yes.

Dr. S. P. Mookerjee: Which section? Let me see.

Shri Bansal: If you go through the Act, you will find that that information cannot be supplied.

Dr. S. P. Mookerjee: I have gone through which section in the Act?

Shri Bansal: I refuse to be interrupted. If you go through the Act, you will find......

Dr. S. P. Mookerjee: We should refuse to be favoured with mis-statements. This is a deliberate mis-statement.

Shri Bansal: A certain secrecy is enjoined on every banker not to give the names of the clients. It is an elementary principle which Dr. Mookerjee should know of. And this is in the Act.

Dr. S. P. Mookerjee: That is different.

Shri Bansal: The only crime, according to him, was that a list of names was not supplied. Suppose a list of names was supplied: are we here in this Parliament to go into every individual case? Has it not been ruled again and again in this House that individual cases are not to be considered by this House? Individual cases can be considered and are always considered by the Public Accounts Committee, or......

Shri B. S. Murthy (Eluru): Only information we wanted.

Shri Bansal:......or the Estimates Committee. This House could not consider individual names.

Dr. Mookerjee says that information has not been supplied. I am one of

[Shri Bansal]

those who believe that these reports are very scanty. They do not supply as much information as they should. But, you have got to read them. If anybody peruses them, he will find that quite a lot of information is contained therein and that would have been more than enough for the purpose which this House has at present, namely, passing this amending Bill. I leave Dr. Mookerjee at that and go to certain other gentlemen who criticised this Bill and the working of the Corporation.

A '*faux pas*' was committed by an hon. Member on this side who said that this Corporation has been spending at the rate of 30 lakhs a year. I rubbed my eyes; I was so surprised. I therefore checked up the figures as to what was the expense ratio. I studied the reports, unlike Dr. Mookerjee who studies foreign reports. I found that in 1948-49, the expenditure on office and other expenditure—I exclude interest from this—was 2·87 lakhs while the sanctioned loan was 3·42 crores. It gives an expense ratio of 0.8 per cent. In 1949-50. the expenses were 4·77 lakhs as against the sanctioned loan of 3.77 crores, giving an expense ratio of 1·27 per cent. In 1950-51, the expenses were 5.03 lakhs as against the sanctioned amount of 2·38 crores, giving an expense ratio of 2:1 per cent. In 1951-52 the expenses were 5·70 lakhs and the sanctioned amount was 4·45 crores. giving an expense ratio of 1·28 per cent. I have compared this with the expense ratio of the UK Corporations with which Dr. Mookerjee is very much in love.

Dr. S. P. Mookerjee: I am not in love with that. You have got the latest report; I could not get that.

Shri Bansal: I do not have the report, which you asked for. If I do not have the report, how can I give it to you? I have some other sources which I refused to give you....

Dr. S. P. Mookerjee: My sources are all open.

Shri Bansal: If the hon. Member was on this side of the House. I would give him all the information that he wanted.

The expense ratio there in respect of the Industrial Corporation is 0·52 per cent. while the expense ratio of the Industrial and commercial Corporation is 0.6 per cent., which is about half the expense ratio of our Corporation.

But, we should also remember that the out-turn of the Corporations there has been about three times that of the Industrial Finance Corporation here. The sanctioned amount by the Finance Corporation for Industries during the last seven years has been of the order of £68·5 million, while that of the Industrial & Commercial Finance Corporation has been £23·7 million. If our sanctioned amount also increases, or if our Corporation is also in a position to undertake larger sanctions, and if it is placed with a larger capital to be loaned out, I am sure that the expense ratio will come down, as it has been coming down gradually excepting for the initial year when there was an accumulation of applications and the staff of the Corporation was very small. In 1950-51 it increased slightly, but that was because in that year the number of applications went down, and it was no fault of the Corporation. The number of applications was less and for that some good reasons have been adduced in the reports. During that year, there were uncertainties as to the future of import of capital goods and there were certain other factors which led to the reduction of applications with the result that the expense ratio went up slightly, but it has come down again in 1951/52 to 1·28. Even this expense ratio, I will not deny, is rather on the high side, and it should be the endeavour of the Corporation and of Government to see that gradually this is brought down to the figure of about 0.6 or 0·5 as in the United Kingdom.

Another point that was made which has some bearing on the amending Bill is that Government have been giving large subventions year after year so much so that up to date they have paid about Rs. 27 lakhs by way of subvention alone. I have again gone into these figures, and I find that while in 1948/49 the amount of subvention was Rs. 10·9 lakhs, in 1949/50, it came down to Rs. 8·68 lakhs. In 1950/51 it came down further to Rs. 4·31 lakhs, and in 1951/52. it is about Rs. 3 Lakhs—Rs. 2·9 lakhs, to be correct. Now, this has been coming down at the rate of about Rs. 2 lakhs a year. This is not at all a bad showing, and it means that the Corporation is working very satisfactorily, so much so that the subvention amount has been reduced from about Rs. 11 lakhs to Rs. 3 lakhs a year. This progress during a period of four years is a thing of which any one may well be proud.

A point was made by Mr. Guha that the Government has been losing money on subvention, and that they have also been losing money on the compulsory dividend that must be paid to them. I have again looked into the report, and I find that the compulsory dividend has always been paid to Government. This subvention does not take into account that amount which has been paid to them year after year, and upto now Government have received Rs. 9 lakhs by way of their share of compulsory dividend.

Shri M. C. Shah: Eighteen lakhs.

Shri Bansal: This Corporation has given to Government by taxation, *i.e.*, Income tax and corporation tax, Rs. 22·8 lakhs during these four years. If you look into these figures, you find that Government, by the activities of this Corporation has made a net profit of about Rs. 5 lakhs, in these four years. Mr. Guha referred to this point while referring to an amendment in the Bill which says that the amount of dividend, instead of being paid to Government year after year, will be kept in a Special Reserve Fund. Now, some Members here ask......

Mr. Chairman: Is the hon. Member likely to take some more time?

Shri Bansal: Yes.

Mr. Chairman: Then, the House will now adjourn.

The House then adjourned for Lunch till Half Past Two of the Clock.

The House re-assembled after Lunch at Half Past Two of the Clock.

[MR. DEPUTY-SPEAKER *in the Chair*]

Shri Bansal: I was on Clause 22 of the Bill, before we dispersed for lunch. As I said in the morning Clause 22 provides for the creation of a special reserve fund out of the dividends that have to be paid compulsorily to Government, *i.e.* about 2½ lakhs per annum. An apprehension was expressed in this House as to why this money should be handed over to the Corporation. Actually this money is not being handed over to the Corporation. If you read sub-clause (ii), you will find that 'no shareholder of the Corporation other than the Central Government or the Reserve Bank shall have any claim to the special reserve fund referred to in sub-section (i)'. This makes the position absolutely clear, and any apprehensions, therefore, on this score are absolutely groundless.

From the other side criticism of the Bill was made not so much on the Bill as on the working of the Corporation, on two grounds. One was that by amending the Act, this Bill will increase the stranglehold of foreigners over the economic affairs of this country, and that an unholy alliance will be created between Indian Finance Capital and the capitalists abroad. This type of cirticism has been made in this House on a number of previous occasions. On an equally large number of occasions categorical statements have been made by the hon. Leader of the House and the Prime Minister that India is not going to accept any loans of aid from foreign countries if they come to us with any strings. Even public opinion in this country led by leading economists has held that any aid that comes from international bodies and institutions should be preferred to aid that comes from individual sources in foreign countries, and I think the House has generally endorsed that point of view. I refer in this connection to a recent speech made by Dr. V. K. R. V. Rao, with whom I think some of the Members on the opposite side are in quite a large measure of agreement. He has said that the assistance that the country obtains must as far as possible be through International organisations and not be bilateral, and that aid through such bilateral agreements could not be without strings attached to it. I think the agreement that we are now entering into with the International Bank satisfies this criterion. So I do not think that we have much ground to look at this aid with suspicion. But I am one of those who believe that foreign aid, from whatever quarter it comes, must be to the minimum, required to meet our essential needs. One should not go in for foreign aid simply because it is forthcoming from this or that source. I should therefore like to inquire of the hon. Finance Minister whether the Corporation and the Government are satisfied that this type of aid from the International Bank is absolutely essential. In this connection, I would refer to the report of the Corporation for the last but one year, where they say that paucity of applications in respect of loans was partly due to the uncertainty of getting supplies of machinery and raw materials and larger requirements of working capital. In pursuance of this, the Corporation issued a questionnaire asking would-be and likely applicants as to what were their difficulties, and what were their requirements in regard to import of machinery particularly from hard currency areas. A reference to this is made also in the latest report of the Corporation. But the House is not possessed of the information as to what the response to this questionnaire was, and whether the replies that were received indicated that quite a large amount of foreign exchange particularly hard currency would be required for the import of these essential capital goods. My own impression is that such a large demand has not been indicated in the replies that have been received by the Corporation. If that is so, I do not understand why we should go in for the import of this capital of Rs. 8 crores. After all the rate of interest that we have to pay is very high. I am told, that it will come, all told, to about 5 per cent. From the point of view of servicing the loan at 5 per cent., particularly when the Corporation is almost lending at the same rate, more or less—I think it is 5½ per cent.—I do not know whether

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it will be a feasible and economic proposition. I would therefore humbly suggest to the Finance Minister and the Corporation to screen their requirements of foreign capital very carefully before entering into this agreement.

Another criticism has been made as regards the size of operations of this Corporation. Some people have said that this Corporation has not been giving loans to smaller concerns, and that the smaller businessman is not getting adequate aid from this Corporation. The other criticism has been that the size of operations has not been very large, namely, that the Corporation during all these four years, has spent actually only about Rs. 7 crores, although the sanctioned amount is about twice as much. As for the first point, I am afraid the persons who are speaking in that way are barking at the wrong door, because there is such a thing as the State Financial Corporation. This very House passed an Act which is supposed to be a model Act for the various State Governments in order to enable smaller concerns to get aid from the State Financial Corporations. Now, if a number of States have not enacted laws in their respective States or issued necessary notifications, then it is not the fault of the Industrial Finance Corporation or the hon. Finance Minister.

I referred earlier to the expense-ratio. This ratio has a direct bearing on the amount that the Corporation is in a position to sanction. If the amount increases, then the expense-ratio comes down. If this Corporation goes on loaning money to very small concerns, then the expense-ratio is bound to increase, because it would mean that the Corporation which is located in Delhi, has to make detailed inquiries about the working of those companies which want the loan, and for this purpose, the Corporation has to be loaded with the responsibility of going into the affairs of smaller concerns. And so the expense-ratio is bound to mount up very high. In this connection I would like to draw a parallel from the Corporation for Industries, in the United Kingdom. The minimum limit below which it cannot grant loans is £2 lakhs, which comes to about Rs. 27 lakhs, which is a very big sum.

Dr. Krishnaswami (Kancheepuram): £2 million is the maximum?

Shri Bansal: That is £2 lakhs is the minimum in the case of the Industries Corporation, while the minimum in the case of the Industrial and Commercial Corporation is £5 thousand.

If you go through the reports of the Corporation here, you will find that it has been advancing comparatively very small loans, and that is not a very economical thing for the Corporation to do. In fact, my suggestion would be that this Corporation should finance—of course, we cannot copy what is happening in the United Kingdom wholesale in our country—comparatively medium-size and larger scale industries, while the State Finance Corporation should come to the rescue of smaller scale industries. I know their requirements are very great. In our country today we want to develop small-scale industries. They must spring up and therefore, the State Governments should come forward and set up State Finance Corporations as soon as they can.

Then there is another point regarding the size of operations. Now a point was made in this connection that this Corporation is not paying any attention to the developmental plans of our Government, that is, loans are being granted to industries without regard to the fact whether they are absolutely essential for the developmental purposes of the country or not. The essential criterion which the Corporation as a business concern has to follow, as I said earlier, is whether the loan asked for is a commercial proposition or not, and whatever directions to the contrary are to be given having a bearing on the developmental policies must come from the Government of India; and if they find that in a particular case the commercial considerations have to be overridden then the responsibility for the loss that may be incurred will be of the Government of India and of this House. Therefore, this hon. House has to make up its mind whether the Corporation has to run as a business concern or as a limb of the Planning Commission. My own suggestion in this regard would be that this Corporation has to work as a commercial body, but if it is decided that the country's requirements in regard to development of new industries are to be met, then another type of Industrial Development Corporation will have to be set up, or we will have to amend this very Act itself, in order to give powers to the Corporation to give loans on considerations other than those of sound finance.

Some members of this House, if I may be permitted to say so, seem to be labouring under some misconception. The purpose of this Corporation is to advance loans to concerns which are a going proposition, that is, concerns which can offer some tangible security. Now if a new concern comes up, naturally it cannot offer this tangible security and the Corporation cannot undertake the risk of advancing money to such a company. The very function of this Corporation in my opinion, is to meet what is called in technical language the 'MacMillian gap', that is, that amount of capital which the company is not able to secure from the money market. On this there are a number of precedents, and quite a lot has been said in foreign countries, particularly in U.K., as to what should be the functions of a Corporation of this type. I will quote what the MacMillian Committee as early as 1931—because this experiment of an Industrial Finance Corporation has been going on in U. K. ever since then—laid down. They laid down two criteria for such Corporations to advance loans to companies. One was intermediate credit, that is, credit for periods of, say, one to five years for enterprises of all sizes. Such credit would be normally of too long a period for the banks and too short a period for new issue finance through the Stock Exchange. The second was, long-term credit for small medium-size businesses which were unsuited for new issue financing. In other words, the Corporation has to come to the rescue only of those companies which are unable to raise what is called 'residue' capital. If we adhere to these criteria, then we have no other alternative but to do this. But if this hon. House is of the opinion that a time has come when this Corporation has to take a more active hand in developing new industries, then I think we will have to amend this Act quite wholesale. I am not against such a proposition. I think the time has come when Government must take a more active and helping hand in developing new industries, in making new industries spring up and established in this country, and for that this Act certainly will not do; we will have to revise our idea of this Act completely.

Then another point that has been made is that this Corporation has, after all, given only about 7 crores of rupees in four years, which means an average of less than two crores a year, while the requirements of our country are very huge. Now I humbly suggest that if anybody expects that this Corporation might undertake the financing of the entire industrial development of the country, that person, I am sure, is very much mistaken; because, after all, I think our country's requirements of capital are to the tune of 100 crores a year, at the present estimate. I worked out some figures and I came to the conclusion that the industry has been investing from all sources about 100 crores a year. Now, as against 100 crores, these two or three or five crores is a flea-bite. All I can say is that if the Corporation is expected to meet all this, then it is like sending a jelly fish to attack a whale.

In a number of speeches that were made in this House it was adverted to again and again that this Corporation should become a State Corporation. The implication behind that statement is that this Corporation is a very powerful body and it should, therefore, be nationalised. But I am surprised that no one in this House has referred to that particular clause which empowers this Corporation under this amending Bill to take over a concern which has not come up to the standards of the Corporation.

Shri S. S. More: Will it be nationalisation?

Shri Bansal: No, it is arming the Corporation with......

Shri S. S. More: It is a Corporation.

Shri Bansal: It is a Corporation, as you yourself say.

Shri A. C. Guha (Santipur): May I point out that the provision is that the industrial concern to be taken over may come under the charge of a managing agency—not nationalised in any sense.

An Hon. Member: Exactly.

Shri Bansal: Nevertheless the idea is that the Corporation will take over that particular concern. Whether later on the Corporation gives it to another managing agency or another Manager is quite a different point. The Corporation is being given the power to take over.

Now I am not against the Corporation exercising the powers of the mortgagee. After all, it has advanced money on these very specific terms. But whether we are going to arm this quasi-government body with a power to take over a concern is a question with which I join issue, because, in my opinion, no Corporation should be vested with that very large power... ..

Pandit K. C. Sharma (Meerut Distt.—South): The concern should be empowered to eat away the public money?

Shri Bansal: I wish my friend was a bit more patient. My suggestion would be that the Government of India should have this power, and if a Corporation finds that the affairs of a particular company are not going on all right, then the Corporation

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should apply to the Commerce and Industry Ministry under the Industries (Development and Regulation) Act and the Government should exercise that power under that Act. (*Interruption*). I understand the powers which Government have under that Act are not co-terminus with all the industries to which the Corporation is in a position to advance loans.

But a small amendment can be made either through this amending Bill itself or through the amendment of the Industries and Development Act, so as to empower Government to take over that concern. Then later on, after the Government have taken over, it is for Government to ask the Corporation or any other Manager or Managing Agent or a Member of this hon. House—it seems quite a number of Members are keen to take over and it will provide them an opportunity—and let them, under the instructions of Government take over the concerns. What I am against is to empower this Corporation to exercise the functions which, in my opinion, belong to the Government of India.

Mr. Deputy-Speaker: I would not like any hon Member to say, merely because any other hon. Member makes a suggestion that in case of default, these concerns may be taken over either by the Government or the Corporation, that any hon. Member wants he may take it over. I would not like such a reference. It is not for personal interest or for personal gain that any hon. Member makes a suggestion. Such remarka are absolutely out of place.

Shri Bansal: I am sorry, Sir. I withdraw my remark unconditionally. All I was trying to say is that the Corporation in my humble opinion, should not have the power of taking over. Although in the Act itself the power is given, there is no *modus operandi* under the Principal Act. This amending Bill seeks to lay down the *modus operandi* for taking over. My suggestion is that it should be the Government or under the instructions of the Government that the concerns should be taken over and not by the Corporation on its own motion.

Dr. Krishnaswami: I do not propose to indulge in acrimonious reflections on hon. Ministers for having refused to disclose the names of the successful applicants for loans from the Industrial Finance Corporation. Especially after having listened to the explanation of the leader of the House I am reluctant to pass a final verdict on Government's policy of non-disclosure. But, may I point out to the hon. Ministers opposite that there has been much ado about nothing, that a frank disclosure would not in the least have affected the debtors and a freer and more friendly discussion on this Bill would have taken place. I do not propose to labour this point; but I wish to bring to the notice of this House and the hon. Ministers that the International Bank of Reconstruction and Development, which will be advancing loans to the Industrial Finance Corporation publishes an annual report in which is mentioned the names of the various countries, parties and companies to which it has advanced loans. What is good enough for the International Bank of Reconstruction and Development must be surely good enough for our indigeneous Corporation in which the State has taken—if my memory serves me aright—shares worth a crore and the nationalised Reserve Bank another crore of rupees. Out of five crores of capital two crores are held by the Union Government and the Reserve Bank. This morning, Dr. Mookerjee, in the course of a very detailed analysis indicated that what this House was much interested in was not to play the role of a 'Nosey Parker', or an inquisitor but to exercise control over the Finance Corporation, to have a clear idea of how a Corporation on which privileges had been conferred by the House was functioning, and to issue instructions on questions of policy from time to time. If we could have more information,—and disclosure would have helped us—we would have been in a better position to enunciate the criteria which should be taken into account by the Industrial Finance Corporation. In fact, Sir John Anderson, in the course of the speech quoted by Dr. Mukherjee, pointed out in discussing the constitution of another body which bears some resemblance to our Corporation, but in which the Government has not taken any share as our Government has done, that while it is obligatory on the part of Ministers to divulge information, they cannot be made accountable for the internal administration of the Industrial Financial Corporation. Parliament, which is after all the supreme body in this country has the inherent and inalienable right to know what is happening behind the scenes, and the expressive and masculine language of Mr. Aneurin Bevan, it would be much better if Industrial

Finance Corporations functioned in the open rather than in stealth, decided in public on objective grounds rather than behind closed doors where bankers can give full scope to their whims, prejudices and act often capriciously. A great deal has been said by my friend who preceded me that the Corporation is a commercial body, that it is bound to take account only of what is known as the commercial interest and that it would not be proper on the part of Parliament to interfere with the discretion of this body or issue directive to it. This argument sounded rather hollow, because if you once lay down the rule that the Corporation is to operate in the 'public interest' then undoubtedly you have to intervene and determine on general grounds of principle what constitutes 'public interest'. I am aware of the limitations from which the Industrial Finance Corporation is suffering; Institutional investors have taken shares in that body, institutional investors who by long tradition and custom have their criteria of deciding what constitutes a safe lending policy. All of us are agreed that the Industrial Finance Corporation lends on collateral security. But can we be sure—and this is a point which I would like to ask my hon. friends, opposite—that these investors take into account only the collateral security of the borrower and that they are not influenced by other considerations such as the great names which are associated with the many big enterprises in our country. Certainly this House feels and rightly that on many occasions a fair treatment is not meted out to many of the new enterprises which might have equally good collateral security but which are handicapped by lack of great reputations to sustain their demand for loans. Parliament has a right to find out how these loans are given. I know, that the frozen Penguins and Pelicans of Insurance Companies and Banking concerns apply nominally objective criteria which in essence are subjective and may I add highly capricious. As Dr. Mookerjee, pointed out, the annual statement furnished by the Industrial Finance Corporation, does not give us any idea of the objective criteria that have influenced these great and public spirited men in determining how loans should be advanced to industrial concerns. Undoubtedly, when we advance loans, it is not merely objective criteria that count, but subjective criteria as well; this is well understood. But, since the industrial corporation enjoys State support and assistance, certainly we have a right to instruct the Finance Corporation to be objective and not to seek shelter behind fine phrases such as safe investment and good security; it is possible to overdo these phrases. Dr. Mukerjee enunciated a few of the factors which ought to be taken into account by the Industrial Finance Corporation in granting loans. The first which he mentioned was that the loans which are advanced should be classified industry-wise; secondly, how have they been distributed geographically; thirdly, what the size of the loan is; fourthly, whether the loan is used for the extension of old lines of production or new lines of production, and fifthly and this is the most important, the age of the unit to which the loans have been advanced. Old and well established industries do not suffer from the disadvantages under which new concerns labour; the new industries are handicapped by the fact of newness. They do not have the goodwill which attaches to the old and the reputed firms and consequently cannot borrow loans from institutional lending agencies. The costs of borrowing are high and in many cases prohibitive, a fact of which industries situate in the backward areas of our country are keenly conscious of.

3 P.M.

When my hon'ble friend the Minister for Finance interrupted Dr. Mukherjee, to point out that the data were given in the annual statement of the Industrial Finance Corporation, that the objective criteria, which he and I are after, were in the report of the Corporation, and that we had perhaps not read it carefully, I rubbed my eyes in astonishment. I was surprised because the data are as bald as bald can be, and no positive inference can be drawn from them. After all, data are meant to be a help to draw some positive inference, but in the case of the report of the Corporation such data as are presented are meant to be a hindrance. You will, remember, Sir, that you were a Member of the Select Committee in 1948 and one of the specific recommendations that you made in the report presented to Parliament was that the Industrial Finance Corporation should consider it as a positive obligation on its part to advance loans particularly to industries in backward regions and the then Finance Minister, Shri Shanmukham Chetty, gave the assurance that the Industrial Finance Corporation would be guided in making advances or loans with the objective of helping industries in backward areas. It is no use the hon. Minister suggesting that the report contains the fulfil-

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ment of that undertaking by indicating that loans have been distributed State-wise. It is no use trying to lump in Bombay the areas of Maharashtra and Karnataka. They are two of the most backward areas in our country. We heard for instance some months ago that a D.D.T. factory was to be started in Poona, but after a prolonged discussion somehow or other that factory has found its spiritual home, in New Delhi. What exactly were the criteria that weighed with those in authority who had that factory transferred from Poona to this place? There may be excellent reasons for having transferred this factory to New Delhi. It may be suggested that after all it was a thing which had to be done: but not knowing what precisely the reasons are, we are not in a position to do anything else except draw an adverse inference.

Consider the other criterion of granting loans either for the extension of old lines or the building up of new lines of production. We are aware that today the cotton textile industry is highly developed industry and does not require investment of further capital. However it may be argued that in certain areas cotton textile mills have necessarily to be started because it is the Government's policy to regionalise textile production. Thus, the recent policy of Government is to have new textile mills moved away from Bombay and Ahmedabad and situated in areas which are close to Punjab and elsewhere. If that is the criterion which had weighed with this Industrial Finance Corporation in granting loans—if that is the predominant criterion which influenced its decision—then is not a duty cast on the Corporation, which after all enjoys public support, to make clear the reasons for having advanced loans to textile mills in these areas? I am bringing these facts to the notice of the Government so that it might be awakened betimes to the seriousness of a Corporation acting arbitrarily. Now it is said that the Corporation is going to decide the granting of loans only on the basis of commercial profitability. Undoubtedly, it would be a correct criterion to apply; but it may not be sufficient. But do you know that when loans are granted to certain companies there is a danger of these companies eventually enjoying a monopoly position which might be a serious threat to the ideal of equalisation of economic opportunity? Let me illustrate. I do not suggest that all loans that have been granted necessarily bring about an increase in monopoly position, but I want to illustrate this point so that the difference in regard to the standpoint adopted by bankers and the approach adopted by those interested in public interest may be brought out clearly. Take, for instance, a concern which has Rs. 5 lakhs as paid up capital, 1 lakh borrowed from private lenders and one lakh borrowed from banks. The total assets would be about Rs. 7 lakhs and the Industrial Finance Corporation would lend, according to its rules, about Rs. 3 or 3½ lakhs. Out of Rs. 3 lakhs, it would be reasonable to assume that the concern wipes out Rs. 2 lakhs of debt and eventually it is in the position of having Rupees 6 lakhs long-term investment capital. Suppose further that it had earned in the early stages about 5 per cent. on Rs. 5 lakhs, eventually it would be in a position to earn 5 per cent. on Rs. 6 lakhs and this would be distributed to those original shareholders who had contributed Rs. 5 lakhs. So, look at the disparity between the economic position of this particular industry and another industry similarly placed as regards paid up capital but which has not received assistance from the Industrial Finance Corporation. So, from the point of view of social advantage, you will find that it can happen that in several instances that there is very grave injustice done to certain industries. I am mentioning this example, because the Government might have necessarily to think of ways and means of attempting to curb monopoly position and bad practices which flourish particularly when such corporations as this one are not brought under the superintendence and control of Parliament. Ministers should be one with us in suggesting that these corporations should be brought under control and that they should not function in secret. They, the corporations, should be made to realise that they have obligations to perform towards society and not merely enjoy privileges.

I am very reluctant to use harsh expressions, but I do not think that the official approach to this subject has been as fair as I expected. For instance, this matter of non-disclosure of names is a very small one, but that is not what troubles me. What worries me is the manner in which these reports are presented, and the very difference in approach between the Industrial Finance Corporation in our country and the Industrial and Commercial Finance Corporation in the U. K.

Shri D. D. Pant (Almora Distt.—North East): Why should we ape the U.K.?

Dr. Krishnaswami: We may not wish to ape the U.K., but why should my friend ape the U.K. in sartorial accomplishments?

Dr. S. P. Mookerjee: Whom is he aping? He is wearing a red tie.

Dr. Krishnaswami: I am not going to ape the U.K. but I would just like to enunciate certain criteria which might be of benefit to us. After all, if we refer to the parliamentary procedure of the U.K., it is not with a view to imitating that procedure slavishly but with a view to adapting it better for our use. If my hon. friend can produce out of his mind something entirely original, something which bears no analogy to the practice in any financial corporation elsewhere, I for one am quite willing to examine what he presents and subject it to the same critical analysis to which I would subject the procedure in the U.K. But let me proceed with an analysis of the working of the Industrial and Commercial Finance Corporation of the U.K. It is a body which not merely advances loans but also takes a share in the property of the various companies. In other words, it deals with equity financing. Some of my friends pointed out that the great need of today is to have equity financing on a large scale. I am one with them, but I have doubts as to whether the Industrial Finance Corporation is the proper body to indulge in equity financing. There is, for instance, the very powerful argument which can be advanced against this body, undertaking this job, namely, the failure of a number of projects which might occur had we indulged in equity financing. This would damage the reputation of its constituent units even if the financial losses are more than compensated for by the success of other financial concerns. Bankers and insurance company Directors as I have pointed out are a peculiar tribe. They have the feeling justifiably that they must play for safety and the Industrial Finance Corporation constituted as it is cannot but play for safety. They have to take account of the interests of depositors and policy holders—the insurance companies and banks, two of the important constituents of the Industrial Finance Corporation. This is an insuperable difficulty and this explains in part the reluctance of Industrial Commercial Financial Corporation of the United Kingdom to take shares in companies on a large scale. There is also the other difficulty not so insuperable as the first, but nevertheless important, which ought to be taken into account by Ministers, namely that in India there is what is known as the "managing agency" system permeating the major portion of our private sector. It is not the shareholder that counts for much in many concerns, but the managing agency. The moment we think of equity finance we have to revise our ideas of what the managing agency system should be. We have also to introduce radical amendments of company law so that if we take up shares in these concerns we may have effective control, not merely in the management of the concern, but also in the share of the profits. That is why I suggest it is not such an easy matter that can be disposed of quickly or by the display of a grand gesture or official fiat.

This Industrial Finance Corporation can after all perform only limited functions. My hon. friend who preceded me said that it had a limited amount of capital and hence it could not do much. All great organisations start with a limited amount of capital and particularly in the formative years of its existence, we ought to take care, Mr. Deputy-Speaker, to see to it that the Industrial Finance Corporation functions along right lines. Today we have a feeling which is based on something substantial that it is not functioning on right lines. We should like the Industrial Finance Corporation to be held accountable to Parliament, not for its day to day administration, but for the policy that it is following, for the manner in which the policies have harmed or benefited the private sector of our economy. After all the function of the Industrial Finance Corporation is to advance loans to the private sector of our economy and if it is not able to fulfil this function properly, if there is reason to suspect that its dealings are not entirely above board—at any rate such an inference we are entitled to draw from the non-disclosure of information—then undoubtedly the time has arrived for Parliament to suggest amendments to the statute governing its operation.

This morning, as my friend Dr. Mookerjee was reading section 35 of the Industrial Finance Act, I was keenly conscious of the lacuna in our

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Act which does not lay down the various criteria that have to be observed by the Industrial Finance Corporation in the drawing up of their reports. It is not right to jumble together data relating to loans State-wise and industry-wise. We have to find out how they should be inter-related with each other so that we might be in a position to draw inference. We are very much interested in the welfare of the backward areas. We are very much interested in seeing to it that the small and the medium-sized industries get an opportunity not only to survive but to function well and I hope I am echoing the feelings of the vast majority of the Members of this House when I affirm we are interested, supremely interested in preventing the growth of monopolies in this country.

It may perhaps be pointed out by my hon. friends opposite that though we might lay down these criteria, the Industrial Finance Corporation will not observe them. But at least Parliament would have played its role, would have acted as a "Laputan flapper". and if in spite of reminders our wishes are flouted why we have the remedy in our hand. We are not powerless.

Let me, however, deal with some of the other difficulties which face us. Why is there so much discussion over the Industrial Finance Corporation? Some Members were inclined to think that there was much ado about nothing. I do not agree. I think there has been a great deal of discussion on this point because we are seriously concerned about how we ought to finance the private sector of our economy. Today the problem child of Indian economy is not the over-capitalised firm, but the under-capitalised firm. I have known of many instances, scores of instances, of under-capitalised industries in our country which are starving for lack of capital. The under-capitalised industries are today a normal rather than an abnormal feature of our economy. There have been industries in many parts of Maharashtra, for instance, which have borrowed short and invested long. They are in a parlous position and if any policy of restrictive credit is pursued by the Reserve Bank acting presumably in the national interest there is a likelihood of many of these industries collapsing. The State has necessarily to interest itself in these industries, has to intervene to bring about a reformation of the capital structure. In other countries the Industrial Finance Corporation was only one of two bodies. There was what was known as the Development Corporation which undoubtedly took upon itself the function of providing large-term and medium-term finance to many of these enterprises That is a function which cannot be fulfilled, as I have pointed out times without number on other occasions, by any private body. It must be fulfilled by the State and it must be fulfilled by the State and the Reserve Bank acting in close co-operation as a Development Corporation. The nursing of these industries in the private sector must be treated as a problem of major planning and not relegated to the background.

It is here that equity financing will come into its own and play a very great and very notable part. The question facing the small enterprise in this country is not the cost of securing capital but the very possibility of obtaining risk capital at all, with the advantage of conversion into public companies with equity securities which will facilitate raising further capital for future growth. When we think of equity capital being advanced both by the Reserve Bank and the State as one Corporation we have to change, as I pointed out, our company law. Undoubtedly we must have a first preference on all the assets of the company in the event of its being wound up and secondly we must in certain cases have a voice in the management of the concern. Here we do not come up against many difficulties. It is only in the case of a few concerns that we might have to have a voice in the management of our concern and I cannot see anything repugnant to our notions of a mixed economy in embarking on this highly constructive enterprise. The private sector has been left to chance. Sometimes I wonder when my hon. friends the Ministers speak of planning, whether they are thinking of anything else except the Rs. 2,000 crores which has to be spent on the public sector. The private sector is left to grow up 'like topsy', uncared for, unattended and attaining vitality if at all by accident. If you wish to have a private sector with the vices of monopoly, at a minimum then you have to bestir seriously yourselves and consider what steps should be taken to provide it with equity capital. The existing institution of an Industrial Finance Corporation, as I pointed out, is not fit to undertake this great task.

But the State has a tremendous responsibility, which it cannot shirk and the Reserve Bank has enough funds at its disposal with which many concerns can be nourished. We are in a position to nourish many of these concerns and eventually there would be a larger number of securities quoted on the market, the advantages of which cannot be sufficiently estimated. The growth of a new stock exchange with a variety of stocks and shares would facilitate the development and creation of a new saving habit among the members of our community. All this can be done if the State has confidence in itself, in the private sector and in the principles of a mixed economy.

As regards this Bill we are asked to increase the powers of the Industrial Finance Corporation. Why we should increase the powers of this Corporation, I cannot understand, especially in view of the very unhelpful attitude adopted by hon. Members on the other side. Some have pointed out that it is most important that we should have this Bill enacted because that would help us to obtain loans from abroad for the purpose of financing various projects—in our country. But once we obtain the loans, how will they be spent. I want you to give thought to the future now and not later. I want specific assurances to be given to us on this side that these loans will be given, not to the select few, but to those who would be capable of promoting the social interest in the best manner. There is such a thing as the harmonisation of the private with the social interest, and the loans must be given only to those who are in a position to harmonise private with social interests. It is not correct, that we should go by what is known as the criterion of commercial profitability. Probably the Development Corporation envisaged by me may have to form a subject of enactment sooner than many of my friends on the other side assume. If an International Finance Corporation, which has long been in gestation, comes into being, then possibly they will come forward with a measure to promote that object. But would it not be better if they apply their mind seriously now, even before the Planning Commission brings out its report, find out what the gaps in our financial structure are and provide for a Development Corporation which would be in a position to take upon itself the financing of equities? When we talk of equity financing it is the earning power of a concern that is primarily taken into account and not collateral securities, which are taken into account when we advance loans. I, therefore, hope that the Government will see their way to give a specific assurance to us that they will consider all these important matters and bring forward a further amending measure, to promote these objects.

Nothing will be lost if this Bill is referred to a Select Committee. Possibly, in the Select Committee we would have an opportunity to talk more freely, and if time is of the essence of the matter there is no earthly reason why we should not sit through for fourteen or fifteen hours at a stretch to complete our deliberations. I cannot help expressing the bitter thought, that from the beginning of this session the Government have been extremely cynical and unhelpful in the attitude that they have adopted and this in my judgment does not augur well for the growth of a parliamentary democracy.

Shri K. K. Desai (Halar): I have been very carefully listening to the debate in the House. To me it has been an interesting and instructive debate. When the Industrial Finance Corporation Act was enacted Dr. Mookerjee was one of the Members of the Cabinet, and he knows the purpose of the Industrial Finance Corporation law as it was enacted then. The purpose of the Industrial Finance Corporation has been, and even today under the statute is, to grant loans to concerns which give proper security. I may mention before the House that the policy of the Corporation has been to advance approximately 50 per cent. of the loans for which the concerns apply.

These are the handicaps. The question has been raised: why not advance the risk capital? The Industrial Finance Corporation, under this law, has been debarred from advancing any risk capital to any concern whatsoever.

Much of the debate would have of course been lessened had only a small case been presented: it was said that the names have not been given. The question of giving the names of all those concerns which have been advanced loans should be judged on their own merits. If the Parliament comes to the conclusion that no harm will be done either to the Industrial Finance Corporation or to the applicants, whose applications have either been accepted or rejected, if their names come to the forefront of Parliament and are discussed individually, then there will be no harm in giving the names. But obviously if it considers the matter, Parliament also will find that if a particular applicant's loan has been

[Shri K. K. Desai]

rejected by the Industrial Finance Corporation and if the Parliament discusses why it has been rejected, naturally the Government would have to assign reasons for rejecting the particular loan, which may not be in the interest of the concerns themselves; for the result will be that instead of getting any help from the Corporation or from the Government, its interests will be harmed.

If any concern to which a loan has been granted also comes up for detailed discussion on the floor of the House, certain grounds may be advanced by both sides and I believe that even their interests will be harmed.

This is a question which will have to be discussed on merits, because it must be realised that the loan is granted to the industrial concern on its assets and with a view to enable it to incur capital expenditure, that is, to augment its assets. As far as the Industrial Finance Corporation is concerned, it does not grant loans for working capital. After the Industrial Finance Corporation has advanced a loan, that loan is being utilised by the concern for putting up capital equipment, and it has to find its own working capital. Under these circumstances, as I said, this question would have to be discussed on its own merits —whether the purpose for which the Industrial Finance Corporation has been created will be served by disclosing the names and allowing Parliament to discuss on the merits or demerits of every single individual loan, either given or rejected. That is the issue before the Parliament.

Mr. Deputy-Speaker: What is the harm that will accrue?

Dr. S. P. Mookerjee: Nobody has suggested that every case should be considered by Parliament. But the list should be available so that, if necessary, we can refer to it.

Shri K. K. Desai: I agree with Dr. Mookerjee, but if the names are given of the applicants who have been granted loans and the applicants who have been rejected, and if every concern is to be discussed here, obviously we would realize......

Dr. S. P. Mookerjee: Who has said that?

Mr. Deputy-Speaker: Let the hon. Member be allowed to go on.

Shri K. K. Desai: Of course it will be open for discussion. I am only placing before the House a particular view-point for its consideration. Dr. Mookerjee has stated and very elaborately quoted from a debate in the House of Commons. But he knows that Government has almost all the powers which he has quoted from the House of Commons debate. We have got all the powers. He himself has stated that we have the power of superintendence Government has power of issuing directions. Government has the power to supersede the Industrial Finance Corporation if it does not carry out the directions or instructions of the Government of India.

Now the Government of India is certainly responsible to this House and so the question of withholding any information or any facts which the Parliament wants does not arise. So, for all practical purposes, the Government, in my opinion, has got all control over the Industrial Finance Corporation and there is no doubt about that and I would like to remove that doubt.

Mr. Deputy-Speaker: Control over Parliament?

Shri K. K. Desai: When the Government has control over the Corporation and this Government is responsible to the House, I think the House has indirectly control over the Government.

Shri Gadgil: Which is the mechanism through which that control can be exercised?

Shri K. K. Desai: The report of the Industrial Finance Corporation has to be presented to the House and is open for discussion in the House by the Members.

Shri Gadgil: What can they discuss if the report is sketchy?

Dr. S. P. Mookerjee: May I know that the hon. Member's logic is that Government can supersede the Corporation, this House can supersede the Government, therefore this House also can supersede the Corporation?

Shri K. K. Desai: Now, as far as the composition of the Industrial Finance Corporation is concerned, the share capital is divided between four interests. Government has advanced Rupees two crores including the Reserve Bank share, the Scheduled Banks, the Insurance Companies and the Co-operative Banks have invested about three crores of rupees. On the Board of Directors, the Reserve Bank has nominated two Directors, the Government has nominated three Directors and the Managing Director is appointed by the Corporation with the approval of the Government. Now, as far as the capital is concerned, the Scheduled Banks, the Insurance Companies and the Co-operative Banks have got the majority shares in the bank and their Directors are elected. I may say for the information of this House that when an applicant applies for a loan, that application is first scrutinised by an Executive Committee of the Board of Directors of which the Managing Director is the Chairman.

Shri Feroze Gandhi (Pratapgarh Distt.—West *cum* Rae Bareli Distt.—East): What happens in the case of a Director who has asked for a loan?

Shri K. K. Desai: In that case the Director does not take any part in the discussions. (*Interruption*)

Mr. Deputy-Speaker: The hon. Member may be allowed to answer the question that has been put to him before he is interrogated.

Dr. S. P. Mookerjee: Is he present at the meetings?

Shri K. K. Desai: He does not take part in the meetings.

Mr. Deputy-Speaker: Possibly he says "This is my concern, therefore I keep out."

Shri M. C. Shah: I think that would be an honest statement. There is Regulation 37 which specifically lays down that in regard to a loan where any Director is concerned he shall not be present. He may be called by all those Directors who are there in order to elicit the information if they think necessary.

Shri Feroze Gandhi: May we know how many of the Directors have taken loans. (*Interruptions*)

Mr. Deputy-Speaker: I am sorry I am not able to hear anything. Hon. Members will have less of talking and more of hearing.

Shri Feroze Gandhi: My question to the hon. Minister was 'Could he let us know how many of the Directors have already got loans?'

Mr. Deputy-Speaker: The hon. Minister will answer in the end.

Shri K. K. Desai: Of course, I can give that information but I will not give that information at this stage. I will leave it to the Minister to answer.

An Hon. Member: You can give it.

Shri K. K. Desai: It has been said that smaller concerns have been neglected but from the report it will be seen that about 53 concerns have been given loans for less than ten lakhs rupees. The concerns who wanted this loan are bound to be smaller companies. Altogether 53 concerns have asked for a loan of less than ten lakhs rupees and they have been granted.

An Hon. Member: Cottage industries have been included.

Shri K. K. Desai: That was for the purpose of this Corporation only. In the last session we passed a law authorising the States to have State Finance Corporations to advance loans to small-scale and cottage industries if they so decide. Now that law has already been passed and it is for the States now to launch in State Finance Corporations for the purpose which most of our friends have in view.

The last speaker stated very rightly that the Industrial Finance Corporation during the last four years has been in a sort of formative stage and as it was in a formative stage, it has to be very cautious because it cannot afford to take any risk. In the initial stage for a year or a year and a half, loans to a larger extent could not be granted because normally all the regulations have to be passed and made known to the future applicants. In the first year or a year and a half, when the Industrial Finance Corporation was being set up, the applications which had come had been scrutinised and all applications go to the Industry Department for scrutiny, their opinion is taken and after they are approved by the Industry Department, the Executive Committee finally sanctions the loans. Now, as far as Government is concerned, Government is continuously in touch with the working of the Finance Corporation because the two Directors representing the Ministry of Finance and the Ministry of Commerce and Industry are associated not as Directors only but they are also associated in the Executive Committee of the Board of Directors.

An Hon. Member: Could not Government find time to frame rules under the Industrial Finance Corporation?

Shri K. K. Desai: The Regulations have to be framed by the Industrial Finance Corporation.

Shri B. Das: Subject to the approval of the Government and the Parliament.

Shri K. K. Desai: Now, Sir, it has been said that the Government has taken steps to guarantee 2½ per cent. to the shareholders and it has given nearly Rs. 26 lakhs as dividend but during the same period Government itself has received interest on each share to the extent of Rs. 18 lakhs and income-tax of Rs. 15 lakhs. The question of this Industrial Finance Corporation would have to be judged after a couple of years, when it has been fully set in motion and when all the loans that have been granted are being availed of. It has been argued that so many loans have been granted but only Rs. 7 crores have been availed of. What has happened to the other Rs. 7 crores? Now this loan is being advanced definitely for capital goods. As and when capital goods come, the concerns take their loans. All these loans which have been sanctioned are pending. When they do not draw the whole amount sanctioned immediately, they go on drawing as and when they required. That is the position. I believe that during the next year, it is expected that all the loans that have been sanctioned will be more or less drawn.

A question has been raised with regard to the International Bank for Reconstruction and Development, and it was said that we will become slaves to the International Bank, which is Anglo-American, and so on. I have no arguments to urge because, it has become, of late, a fashion amongst some sections of the people of this country, out of a sort of a complex, to say that anything that comes from there is imperialism. But, they forget that this is an International Bank in which India is also a Member and we have made our own contribution to the building up of the International Bank. This is not the first loan that we are taking. We have already got loans from the International Bank for the Damodar Valley Corporation and for some of our railway development. This is a loan which is being given to small individual concerns. Obviously, the International Bank cannot give loans directly to certain individuals. They want some agency through which this loan can be granted. The Industrial Finance Corporation, up to now, has not got the power to take this loan or work as the agent of any foreign bank. Therefore, this is more or less a sort of an enabling measure, empowering the Industrial Finance Corporation to act as the agent either of the International Bank or the Government. That is why this amendment has been brought in.

A criticism has been made by Mr. Bansal that the Industrial Finance Corporation should not be given the power to take over concerns. But, I think, if he thinks over the matter again, he himself will see that when a concern to which a loan had been sanctioned has defaulted in the payment of the instalment or interest, when it goes on continuously committing default, there is no other course open to the Industrial Finance Corporation except to take over the concern. The amendment sought to be made by this Bill is with a view to make it possible for the Industrial Finance Corporation to take over those concerns and run them. This is with a view to the safety of the money that has been invested.

As far as the nationalisation of the Industrial Finance Corporation is concerned, it is a question which this House will consider on its own merits. But, as far as I can see, the Industrial Finance Corporation is, as a matter of fact, working as a nationalised concern. Government has got full powers. It is autonomous to the extent of looking into the details, sanctioning the loan, and recovering the interest and instalments. But, it is always under the superintendence and direction of the Government of India. If on merits it is found that this concern can be nationalised, I think that is a matter which could be discussed.

As far as sanctioning of loans is concerned, I must say here and now that there has been no discrimination. All the applications are scrutinised and decisions taken.

Shri S. S. More: Is the hon. Member speaking in his capacity as a Director or as one of the Members of the House? We can rely to him only to that extent.

Mr. Deputy-Speaker: The hon. Member is likely to put the same question to him: in what capacity is he speaking. All hon. Members can draw on any experience they have.

Shri Gadgil: When you speak on law, you speak as a representative and not as a lawyer.

Shri K. K. Desai: On the last occasion when the Industrial Finance Corporation Act was amended, the same question came up for discussion in this House. The hon. Finance Minister challenged the hon. speaker to bring to his notice any discrimination or any acts which he wants the Finance Minister to examine. There is no question......

Shri A. C. Guha: The reference is apparently to me. What I stated at that time was, I cannot disclose the names on the floor of the House; if the hon. Finance Minister wants, I can disclose the names to him and discuss things in his chamber. He did not send for me. I cannot, on my own initiative go and offer the names, unless he asks for that. In spite of my definite offer that I cannot disclose the names here and that if the hon. Finance Minister wants, I can disclose the names to him in his chamber, he did not ask me.

Shri K. K. Desai: What I said has been more or less proved by Mr. Guha. I remember, on the floor of the House, the hon. Finance Minister challenged that if any hon. Member....

Shri B. Das: Why challenge? It is enough if you say, he stated.........

Shri K. K. Desai: ......had anything to say regarding the granting or rejecting of loans to any concern, he is entitled to come to him. He almost invited him to come to him and place all the facts before him so that he can make enquiries and do the needful in the matter.

Shri A. C. Guha: I quoted a portion of the hon. Finance Minister's speech in reply to my speech. He has practically admitted that there may be some cases. The Finance Minister only put a different interpretation. He said that through the association of some of these men with any concern, that concern got more creditworthy. This is the interpretation he put. He did not deny that there have been several cases like that.

Shri Tyagi: May I make a statement now?

Shri A. C. Guha: The Leader of the House and the Leader of the Party has made a formal request and I shall reply. Perhaps you know that already I have mentioned some names to him.

Mr. Deputy-Speaker: I do not know why when so many hon. Members, in spite of the Bankers Book Evidence Act and the secrecy that has to be observed, are anxious to know the names of the persons to whom loans have been given, the hon. Member should keep in his bosom the names of these people and wait until the Minister sends for him. After all, it is not a secret that he is disclosing. It is the duty of every hon. Member whenever some wrong comes to his knowledge to communicate it to the hon. Minister and for the hon. Minister also to take the House into confidence wherever such a breach occurs. I think it is not a one-sided obligation.

Shri K. K. Desai: I am of this view that as far as information is concerned, this House is entitled to get all the relevant information for judging the working of the Industrial Finance Corporation. The only question arises about giving a list of the names of the concerns. I believe, if I have understood the hon. Prime Minister aright, the Finance Minister has taken up a particular attitude and he has announced a particular policy. It is for the Government as a whole to consider the suggestion and request made on the floor of the House.

Shri Altekar (North Satara): Cannot a committee in camera be appointed for the purpose?

Shri K. K. Desai: There is one last point and I have done. From the debate, I find that there is an apprehension that loans have been granted only to existing concerns and existing industries. But, if an analysis is made of the loans granted, it will be found that about 6 crores of rupees have been lent to new types of industries and about 4½ crores have been lent to new concerns or new undertakings. The remainder has been sanctioned to the existing concerns either for expansion or for renovation. These are the facts. When the hon. Minister replies, I believe he may be able to place before the House more information.

Shri U. M. Trivedi (Chittor): On a point of information, Sir, may I know from where this information is available?

Shri K. K. Desai: This is the information asked for, I have no doubt that the hon. Finance Minister......

Shri U. M. Trivedi: I wanted to know from where this analysis has been made.

Mr. Deputy-Speaker: Hon. Members want to know whether there are any proceedings in black and white to which they can refer or whether they should go to the Finance Minister.

Shri K. K. Desai: Of course, the Finance Minister can ask for any information from the Industrial Finance Corporation.

And he can place before the House the desired information which is not and which need not be secret from the House. Only the question arose about the giving of the names, and that also should be considered, in my opinion, on its own merits.

With these few words, I support this Bill.

Shri S. V. Ramaswamy (Salem): On a point of information, Sir. The Bankers' Book Evidence Act is meant to regulate the rights of the litigant parties. Does it bind this House?

Shri Gadgil: It is common ground.

Mr. Deputy-Speaker: Dr. Lanka Sundaram.

Shri Gadgil *rose*—

Mr. Deputy-Speaker: I have given an opportunity to a Member on this side, and now I am giving an opportunity to the other side I shall call upon Mr. Gadgil next.

Shri Gadgil *rose* —

Mr. Deputy-Speaker: I said I shall call upon him next. Dr Lanka Sundaram.

An Hon. Member: Somebody else might catch your eye.

Shri Feroze Gandhi: May I ask the hon. Member a question because he is an important Director of the Industrial Finance Corporation? When companies ask for loans, do they request the Industrial Finance Corporation to keep their names secret, or is it that the Industrial Finance Corporation, after granting the loan, says: "Now, you take this money. We will not tell anybody"?

Shri K. K. Desai: That question, in my opinion, has been discussed before this House by the hon. Finance Minister. He did say that there is a convention that......

Shri Feroze Gandhi: The hon. Member being a Member of the Board of Directors who must be giving the assurances, is in a much better position than the hon. Finance Minister to answer the point.

Dr. S. P. Mookerjee: That is a trade secret which he cannot disclose.

Mr. Deputy-Speaker: In every individual case that assurance does not seem to be given, but it is a general convention which seems to be acted upon.

Dr. Lanka Sundaram (Visakhapatnam): I sincerely regret that the debate on this Bill has taken a number of twists and turns which could have been avoided if only my friends on the Treasury Benches did not adopt a cavalier attitude towards the rights and privileges of this House.

[SHRI PATASKAR *in the Chair*]

Mr. Deputy-Speaker gave a ruling on the first day's debate and demanded the supply of certain information including the names of the firms to the Members of this House. That ruling was flouted by the Government. On top of it, the Prime Minister took up the position that the Finance Minister has given certain assurances to loanees, that the Finance Minister has been ex-India, and that until he comes nothing can be done about it. I would very much like to know from the Treasury Benches whether the assurances given by the Finance Minister were verbal. secret and not on record; whether, more than anything else, this hon. House, this sovereign Parliament of the country, should wait upon the convenience of a Minister of Government to be in this country, to be present in this House to give this information on a Bill of this character. In order to show that the country is very much exercised about the very unreasonable way in which the Government is attempting to throttle the rights and privileges of this House, I shall, with your permission, read a small extract from an editorial written by a paper called *The Hindu*—a paper, which, as you know, is known for its probity and moderation and which is a friend of the Government. This editorial appeared on the 29th of last month. Here is the quotation:

> "There is no reason at all why these particulars should be denied to the public. The analogy of a bank's relationship to its client does not apply to the I.F.C. because it is a quasi-public institution. and those receiving assistance from it stand on a par with institutions receiving aid under the State Aid to Industries Act. In Britain, no secrecy surrounds the operations of the Industrial Finance Corporation."

In addition. the paper went on. and I quote again:

> "As any monies that the World Bank may advance to the Industrial Finance Corporation will have to be guaranteed by the Government, the latter should see that no breath of suspicion attaches to any of the activities of the Corporation."

I had expected that my hon. friend Shri Khandubhai Desai, being a Director of the Industrial Finance Corporation, would have told the House that loans given or accommodation granted by the Industrial Finance Corporation to loanees. which must necessarily be public limited companies, are mentioned in the balance-sheets of those particular companies. I do not see any reason why the Government of India, and especially the Finance Ministers in front of me here, refuse to supply information, which can be obtained by us provided there is laborious research. I had expected that my hon. friend Shri Khandubhai Desai would have at least given the names of the firms which were granted loans and whose Directors are connected one way or other with the Industrial Finance Corporation.

Shri K. K. Desai: That, of course, I can give you.

Dr. Lanka Sundaram: In fact, he has twisted the entire argument by saying that if information is given about the rejection of loan applications, damage will be done to the loan applicants. That was not the point under debate. If I am not mistaken, the whole country is agitated on a very simple point, *viz.*, whether there is favouritism, whether there is monopoly, whether there is what you call a group of businessmen utilising the Industrial Finance Corporation to feather their own nests. I am here to freely say, and I ask my hon. friend the Revenue Minister to contradict me, that at least in the case of three public companies loans have been granted by the Industrial Finance Corporation involving more than Rs. 116 lakhs with which one of the principal functionaries of the Corporation is highly connected, either as Chairman or Director; or, his family is connected with them. I can mention the names. I speak in good faith and I have made attempts to get information of this character. I am not given to mentioning names because I do not want to damage any particular company. The point I am making is this: Is it or is it not a fact that from the Chairman downwards, the functionaries of the Corporation have arranged accommodation and loans to be given to themselves, to their friends and to their colleagues in the business blocs which this unfortunate country finds to exist as a disgrace?

Pandit Algu Rai Shastri: If that is so, it is a very bad thing.

Dr. Lanka Sundaram: This House is entitled to an answer on this important point. I had occasion to.........

Shri M. P. Mishra (Monghyr North-West): When you have referred to the Companies, why do you not give the names as well?

Dr. Lanka Sundaram: This House is entitled to that information from Government. Rupees Twenty-six lakhs of taxpayers' money has gone towards the guarantee of the dividend so far. It is actually Rs. 26 lakhs and a little more. If you take another aspect, Rs. 50 lakhs is going to be put into a Special Reserve very soon. Rupees two crores of Share Capital from the taxpayers' money and also from the Reserve Bank has gone into this particular Industrial Finance Corporation. The least that can be said is that this House has got privileges and rights which have got to be guaranteed, and I make a reference with great deference to you Mr. Chairman, that the ruling of the Deputy-Speaker given on the first day of the debate should not have been flouted with such impunity as my friends opposite have chosen to do.

Having said this, I will be very brief as regards the structure of the Corporation and its implications. I belong to that school of thought that the Industrial Finance Corporation both at the Centre and in the States must come forward towards fulfilling a vital role as regards economic development and reconstruction of this country, especially in the private sector. As such, I was attracted to a statement made by my hon. friend Mr. M. C. Shah while introducing the Bill in which the following passage occurs:

> "to supplement capital requirements not available from the money market".

It is a very important statement, but I am prepared to say with a sense of responsibility that the debate during the past three days, including today, has gone on in such a way as if this tiny little Industrial Finance Corporation as it exists today is going to supply *manna* from Heaven in order to meet the needs of the private sector in industry. Mr. Bansal has, however, admitted that every year Rs. 100 crores are required by the private sector of industry to carry on its activities. The Planning Commission has laid down Rs. 1,500 crores as being the total capitalisation of the private sector of industry in India today. This means that the resources at the disposal of the Industrial Finance Corporation, even assuming that tomorrow we get Rs. 8 crores from the International Monetary Fund, will not be equal even to perform two per cent. of the total activities now. I am making a reference to this for the very simple reason, *viz.*, that we have gone on in this debate with an exaggerated—an unduly exaggerated—importance of the role of the Industrial Finance Corporation, although I am

[Dr. Lanka Sundaram]

4 P.M.

not belittling its existence. I want it to expand. In fact, I very strongly support some of the Clauses—Clauses 11, 12 and 13 of this Bill—to which I will come in a few minutes. Intervening in the debate, some friends on this side suggested that the Industrial Finance Corporation would eventually have a hundred crores of rupees to dispense amongst the favourites of the group which is now at its head. My hon. friend Mr. Shah said 'No, no.' I tried to make an attempt to find out the total resources today of the Industrial Finance Corporation. They would not be even Rs. 40 crores, taking the entire five year period; they would not be even Rs. 50 crores, even assuming that the International Monetary Fund and Bank is giving something the day after tomorrow.

Now let us examine this Bill structurally. I am glad I have this opportunity of going about this Bill in as structural a manner as possible, as to the manner in which the affairs of this Corporation have been managed so far. During the first four years of the existence of the Corporation, the number of applications and the amounts sanctioned are as follows:

	No.	Amount
Loans not exeeding Rs. 10 lakhs . .	53	Rs. 2·99 crores
Loans exceeding Rs. 10 lakhs but not exceeding Rs. 20 lakhs . . .	21	Rs. 3·21 crores
Loans exceeding Rs. 20 lakhs but not exceeding Rs. 30 lakhs . . .	7	Rs. 1·95 crores
Loans exceeding Rs. 30 lakhs but not exceeding Rs. 40 lakhs . . .	5	Rs. 1·95 crores
Loans exceeding Rs. 40 lakhs but not exceeding Rs. 50 lakhs . . .	8	Rs. 3·93 crores

The point that I am trying to make now—and it has a very vital relationship to clause 13 of the present amending Bill—is that this puny little Industrial Corporation, with less than Rs. 5 crores to give in a year, is now sought to be amended in order that the lendable limit is increased from Rs. 50 lakhs to Rs. 1 crore. In other words, lesser and lesser number of units in this country will have the opportunity of getting accommodation; in other words, more and more favourites of the people who manage the Corporation will run away with the money, and this is most reprehensive. I have now here with me an analysis of the figures from the balance sheet of the Corporation for the year 1951-52. I do not wish to weary the House with too many details, but what we find is that paper got Rs. 71 lakhs, textiles about Rs. 43·75 lakhs, and sugar about Rs. 95 lakhs. I ask, for what purpose Rs. 95 lakhs was given last year to the sugar industry? A derelict old thing it is, and in any case sugar is in surplus now to the extent of about 400,000 tons around us, and we have no markets abroad. How do they expect to recoup this amount? I very seriously suggest, with a sense of responsibility and with some knowledge of the operations of the commercial world, that this is all done because there is a ganging up of certain groups of businessmen who are exploiting the substance of this Industrial Finance Corporation for their own private ends. I would rather wish that this country, and especially the Industrial Finance Corporation, would adopt the Japanese method of more and more diversification. I may freely acknowledge here that little by little during these four and a half years of its existence, the Industrial Finance Corporation is having a diversified approach to industrial development, but it is neither here nor there, and not even a drop in the ocean. I am not disputing that, but as I said earlier, let us look at it structurally. The point that I am trying to make out is that little by little, this spirit of monopoly, this spirit of cornering and monopolising the funds of the Corporation for the benefit of certain individuals and certain groups of individuals, should be put an end to, and it is high time to do so.

I have an analysis which I worked out on the basis of the data which I was able to lay my hands upon. During the first four years of existence of the Corporation, one-third of the total lendable finance went to big industries, old industries, and some of them derelict industries, accounting for Rs. 3·93 crores out of the Rs. 12·59 crores lent in those four years. On the other hand, if we adopt the Japanese method, then there will be greater opportunities for diversification of industrial development and making finance available, even as my hon. friend Mr. Shah said, to supplement capital requirements not available in the money market, for new needy units. My arguments in this behalf are four in character. Firstly, the development of medium and small scale industries is of even more vital importance than the question of making finance available for certain old types of big industry. Secondly, the big industrial units can look after themselves. I was attracted by a statement made by Mr. Khandubhai Desai about the fact that collateral security was demanded and obtained from loanees before these grants were given. I have got with me an analysis—I am prepared to place the paper on the Table of the House, or give it to Mr. Tyagi, or to Mr. Shah or to Mr. Nehru. The fact is like this. One particular company with a share capital of Rs. 15 lakhs was given an accommodation of Rs. 50 lakhs. Now, in this case, where is the security? My hon. friend Mr. Shah said in his speech, that the money is lent on block, on capital assets. *(Interruption)*. I am quoting Mr. Shah himself from his opening speech, it is on record, and it is now for him to answer the point. The third point is that the Industrial Finance Corporation has not got resources to cater to bigger units, which certainly can look after themselves. Finally, the Planning Commission is there. Questions of mixed economy were raised by certain hon. Members on this side. But it is for the Planning Commission to find big finance. You cannot do it with an Industrial Finance Corporation at the Centre with a capital which is not even, as I have said earlier, one per cent. of the total requirements for the country as a whole in the private sector.

Having said all this I would like to direct the attention of the House on one point which has not been unfortunately touched so far in this debate. That is in regard to the lending rates of the Industrial Finance Corporation. It has been said that 2½ per cent. of dividend is guaranteed by Government, and that during the first four years of the existence, the taxpayers' money to the extent of Rs. 26 lakhs has been utilised towards that guarantee being fulfilled. I find that in 1951-52 the earnings of the Corporation have increased, compared to what they were in 1950-51. Little by little, the amount payable from the taxpayers' money towards the fulfilment of the guarantee of the dividend is also going down. All the same, let us look at the structure of the problem. The Corporation's lending rate is 5½ per cent, and last year it was raised to 6 per cent., but with an assurance that if there were prompt instalment payments of interest and capital, that extra half per cent. will be waived. I would like to know from my hon. friend Mr. Shah when he replies to the debate, at what rate the Government is going to get the loans from the International Monetary Fund. My information is that it is roughly about 4 per cent., and my hon. friend Mr. Bansal said that it is about 5 per cent.

Shri B. Das: 4½ per cent.

Dr. Lanka Sundaram: I do not know the rate, and it is for the Government to declare it. The question is whether this 5½ per cent. lending rate is at all calculated to ensure the industrial development of the country. Is it the proper rate? Are you really assisting industries to come forward for accommodation? I am sure my hon. friend Mr. Shah will turn round and say 'Which Joint Stock Bank in India, or any scheduled Bank, is prepared to lend money at this rate of 5½ per cent.?' But my question is this. Is there a positive directed policy towards industrial expansion, towards making cheap money available to such of the needy units which cannot raise money in the money market, even as the hon. Minister in charge of the Bill said in his opening speech. I raise this question in connection with what I have said earlier, and which I would repeat again, namely that it is the Japanese method which we have to adopt in this country, and not merely as my hon. friend Mr. Bansal said, purely a commercial approach. I consider that this country will not be able to go forward unless and until there is diversification of industry, and a positive industrial policy plus a cheap lending policy are made available to the needy units.

I shall be very brief—because I find that a number of other hon. friends of mine are anxious to speak on this Bill—and shall come to the pivotal clauses of the amending Bill, namely clauses 11 and 12.

Under Clause 11, borrowing from the Reserve Bank to avoid sale of securities repayable within 90 days of such borrowing, is contemplated. Pending the fluctuation of Corporation bonds and debentures, loans can be raised for 18 months from the Reserve Bank, the maximum sum that can be borrowed thus being limited to Rs. 3 crores. I wish the amount were double of what has been put down in the Bill, because I consider that without eventually quadrupling or quintupling the resources of the

[Dr. Lanka Sundaram]

Industrial Finance Corporation, the tasks expected of it will not be fulfilled.

Again, I welcome Clause 12, even though I must say that I was astonished to be told at the highest possible level that because a loan is imminent, and a number of reminders have come, we have to rush through this at this moment, without even referring the Bill to the Select Committee, without even fulfilling the need for information being made available to Members of this House, to which under the rules and privileges of the House you and I are all entitled. But I was told that we have to rush through in a hurry, because we are in a hurry. All the same, I do not take a tragic view of the matter, and as my hon. friend Bansal said, any accommodation granted to India under the International Monetary Fund or the International Bank need not be looked at politically, because I feel that we are very much in the scheme of the United Nations, considering the extent to which we ourselves contribute to it. You will recall that the contribution of India is 400 million dollars to the International Monetary Fund and Bank.

We have not so far even got one-fourth of the money we are supposed to have paid into it or we are supposed to have an obligation to pay into it. The result is that little by little we are paying more money to the world community in order to assist in world development.

As I have said earlier, I oppose clause 13,—and I hope I will have another opportunity of doing so in detail—raising the lending limit from 50 lakhs to one crore, because the funds are very meagre and as I have said, the risks of a monopoly approach to lendable funds will be greatest, and I do hope my hon. friends in this House will give their serious attention to this possible misuse of this proposed provision of the amending Bill.

Having said this I would like to end up by making once again an appeal to you, because the rights and privileges of this House have been tampered with by the attitude of the Government of India. This is almost a Finance Bill involving a tremendous amount of money of the taxpayer. This House is entitled to information. In fact the ruling of the Deputy-Speaker was there on the first day. I remember in the last session when the hon. Minister for Information and Broadcasting refused to give information as to some sort of contract placed by All India Radio with somebody else, the Chair gave the ruling that the information be placed on the Table of the House. I hope my colleagues, in this case, irrespective of any party affiliation, would not take a lighthearted view of the manner in which this hon. House is being straddled, simply because the Government is trying to protect one or two individuals high up in this country. I claim this is a sovereign Parliament. No one can be protected. The country is above all and I hope my appeal will not go all in vain.

Mr. Chairman: The hon. Minister wants to intervene and give some information, which is allowed.

Shri Tyagi: My colleague who is piloting the Bill will reply to the debate. I do not, therefore, propose to make many points in the short statement that I wish to make just now. Even so, I cannot miss one criticism. It has been said many times that the rights and privileges of this House are being flouted by the Government. It pains me to be accused of this, Sir. I assure you in all humility that when I face this House I have a feeling that I am facing the nation as a whole, because this House is the representative of the nation. I am glad to see how anxious the representatives of the nation are to safeguard their money, which is a healthy sign of democracy, and therefore, Sir, howsoever strong or pungent be the criticism, it is always welcome to me. I feel that the Parliament must look into as many details with regard to expenditure as possible and also with regard to the ways and means provided to individuals in the country as the House is doing. I only want to assure you in all sincerity and to all my colleagues in this House that it is beyond me and beyond the Government to keep any secret from Parliament as regards monetary transactions. Particularly with regard to this Corporation, since the Government does not directly deal with it, the House is justified in being over-anxious to know what is happening at a distance from them and the Government. I admit budget scrutinies and discussion here in the House do already cover every detail......

Shri Feroze Gandhi: The details are missing.

Mr. Chairman: He is coming to them.

Shri Tyagi: I am sorry. I was not talking in that strain in which my friend is questioning me. The details are not missing. What I have said is only this, that it has been the policy of the Government—which of course the House can vote against if it so chooses—not to bring private parties into discussion and that is the only small secret—of names—that is attempted to be kept back. And that too the Prime Minister has promised, as the House is very strong about it, to reconsider. I would be very willing even to postpone consideration of this but my difficulty is this. Negotiations with the International Bank conducted by the delegation sent out to the U.S.A. are practically complete, and it has been stipulated by the Bank that in the event of delay in passing the Bill in which some additional powers were to be given as the House knows, they will have the right to change the conditions with the change in the international money market. Therefore, my fears are that if the passage of this Bill is delayed, we might perhaps have to pay a higher rate of interest. It is already high enough. Otherwise, we would have gladly gone to the Select Committee where it would be much easier for the Government because there we could talk over more closely......

Dr. Lanka Sundaram: May I interrupt. Sir. Can he not agree to a 48-hour adjournment?

Shri Tyagi: I can give an unqualified assurance here that whenever any case in which any hon. Member feels or smells any favouritism or corruption, is brought to the notice of Government, I undertake to go through the case thoroughly and investigate it and inform the Member or the House of the result of it. About information: barring the names whatever information the House needs I am prepared to give here and now. Names, of course, as the Prime Minister has already said are kept with the permission of the House, to be reconsidered again on the arrival back of the Finance Minister from U. K.

Then again, when the conduct of any office-bearer or a Director of the Corporation is in question, I do not think it brooks of any delay. And since the name of the Chairman of the Corporation has been used and advances given to his concerns have been questioned, I think, Sir, I, in all fairness to him must make a statement with regard to what loans the firms in which he is interested have taken. For this purpose I sent word to him and I am glad that he has given me his consent to divulge information about all the loans he has taken. Therefore, I shall not be violating any of his secrets, for he has written to me on my request that I could do so, and I, therefore, want to read it. Sir.

"My dear Tyagiji,

"I am pained to see the unfair criticism against the Corporation and also serious charges brought against myself as Chairman in the Parliament........."

Shri A. C. Guha: I think none has mentioned the name of the Chairman.

Shri Tyagi: It will come. In the spirit in which I make that statement, I hope my friend, Mr. Guha, would take it that there is nothing to keep back. The Chairman's name will come. There are only two members of the Board. (*Interruption*).

Mr. Chairman: Let the House get the information first and after that, there will be enough time.

Shri H. N. Mukerjee: Before he gives the information, I would like to ask the Minister how it is that the Government could not of its own volition divulge that and a ukase had to come from the Chairman of the Corporation and the Government immediately changed its views?

Mr. Chairman: Order, order. Until the hon. Minister reads the letter, hon. Members should not raise any objection. After that, there is time.

Shri Tyagi: The names were known to us. We kept the names and did not disclose them as a matter of......

Mr. Chairman: May I make a suggestion to the hon. Minister? He may proceed with the statement.

Shri Tyagi: The Chairman continues to say:—

"There are only two members of the Board of the Industrial Finance Corporation who happen to be industrialists, that is, Shri Biren Mukerjee and myself"—that is, Shri Sri Ram. "Shri Biren Mukerjee represents bankers and I represent the Reserve Bank of India. We happen to be industrialists. Shri Biren Mukerjee not being on the Executive Committee Could not influence sanction of loans or the rejection of the same. The charge can only be brought against me...... On the Board there are three

[Shri Tyagi]

representatives of Government, including Mr. Kbandubhai Desai, M. P. and the two others are members of the Executive Government. There are two representatives of co-operative societies, two of scheduled banks and two of insurance companies and I do not suppose any of the above could be charged with the industrialists."

He goes on further:

> "Two concerns, of which, in partnership with others my firm are Managing Agents, have taken loans from the Corporation and these two are amongst the very few indeed who have been paying back the instalments on date and have not asked for any extensions while 13 have defaulted".

The following loans were granted to the companies in which Shri Sri Ram has a personal interest—this is of course not a part of his letter, but with his permission, I am just divulging it—being in the Managing Agency:

(1) Bengal Potteries Limited—applied for Rs. 20 lakhs and were sanctioned on 3rd November, 1948, Rs. 20 lakhs. They have since repaid Rs. 6 lakhs and the balance due to the Corporation is Rs. 14 lakhs.

(2) Jay Engineering Works Limited—first applied for a loan of Rs. 40 lakhs and were sanctioned only Rs. 20 lakhs. They asked for a loan again of Rs. 20 lakhs in 1952 and were granted only 16 lakhs. In the case of the two loans to Jay Engineering Works, Ltd., the Finance Minister was consulted. This was done because Shri Sri Ram was the Chairman of the Corporation and there should be no question of the Chairman getting loans without proper scrutiny.

This is the statement that I wanted to make before the House. I might also add that in each case when an application is made, it is sent to the Ministry of Commerce and Industry to be scrutinised. Their comments are received, and then again, before the loan is sanctioned, the Finance Minister is informally consulted as a rule and our own Secretary is there in the sanctioning Committee. There is no such reason for me to doubt that there has been anything irregular. Of course, if the hon. Members have any information, I have promised, I shall make the most honest and sincere investigations into the matter and inform the House.

Shri A. C. Guha: I think, as the hon. Minister has mentioned, there are two firms mentioned in the letter in which Lale Sri Ram's firm is the Managing Agents. But the allegations made in this House are more or less that their subsidiaries or nominees or some of their relatives have been provided in those firms.

Shri Tyagi: About that, I would request the hon. Member to pass on the information to me and I will make enquiries.

Mr. Chairman: I will explain the stage at which we are now discussing the matter. The hon. Finance Minister made a request that he wants to intervene in this debate and make a statement. The consideration stage is not yet over and the hon. Members have further opportunities of discussing. Instead of these interruptions and asking for further information, I will give everybody, so long as I am here, chance to speak so that they can put forth their views.

Shri A. C. Guha: It is not a question of interruption, Sir. This letter does not give any reply to the allegations made in this House nor does it dispel the suspicion.

Mr. Chairman: Mr. Guha is an old Member. The hon. Minister has given whatever information he was prepared to give. It is for the House to decide whether it is complete or incomplete, and it is altogether a different matter. So, I will ask hon. Member, Mr. Gadgil, to speak.

Shri Gadgil: I am glad that in the course of discussion over this Bill some things have happened which I consider all to the good. If there had been no discussion, if there had been no suspicion created, probably things, which have been mentioned on the last day on which the debate took place and today would not have come out. This represents the general wish of the House that whenever government investment is made, this Parliament, invested as it is by the Constitution with full sovereignty must have an opportunity to scrutinise and to see that the funds given to even quasi-Government or autonomous bodies are properly spent. It is the principle of Parliamentary Government that the Parliament must have the last word over the financial commitments of the Government. And I am very glad that the assurance given by my hon. friend, Mr. Tyagi goes quite a substantial way. Now, we are entering more and more, as Government, in the field of production. We have started the Damodar Valley

Corporation; then there is the Sindri Fertilizer Company; then there are the Tools and several other factories of government ownership and management which are expected to be in existence in the near future. (*An Hon. Member*: Housing Factory). I think the House has exercised its control more than its satisfaction so far as the Pre-Fabricated Housing Factory is concerned. Well, I have had nothing to do with it personally. The point really is, that inasmuch as this question is assuming great importance, namely that of management and ownership of industrial concerns by the Government, I would rather request the Government to finalise its views about the management and the operation of these concerns of government ownership and control, so that we might come to some definite principles so that whenever there is any question of exercising parliamentary responsibility, we can refer to these accepted principles. The Prime Minister was perfectly correct in stating that this particular thing is a category by itself. It is not governed by any ordinary banking practice or procedure. At the same time he was also right that we cannot apply the same principles which we have applied to the Damodar Valley Corporation. But all the same, the broad fact remains, which he was very good enough to accept, that Parliament must exercise its control. I am, therefore, very anxious to know so far as the working of this Corporation is concerned, what is the mechanism which the hon. Members who feel interest in this should have resort to in bringing the working of this Corporation before the forum of this Parliament. It is by mere accident that the Government thought of amending this Corporation Act and all these questions have been raised. Now, they are perfectly legitimate questions. A point was made by my friend, Dr. Krishnaswami, that from the analysis of advances made, it appears that regional considerations have not been paid proper attention. It also appears that certain industries have been favoured. This Parliament does not look to the interests of this region or that region, or this industry or that industry. It is the business, in fact, the obligation of this Parliament to see that even-handed justice is done to every region in this country.

Now, for examole, I do not think that our textile industry requires any extension beyond what is contemplated. We know what is happening in the world. Japan has recovered. Consquently, Japan is keen to recapture the world market. In this context, would it be a wise policy to put more money in the textile industry or would it be better that we should invest in some other industries like heavy machinery manufacture, so that, as far as our resources both material and otherwise permit us, we should become fairly self-sufficient. This is just a consideration which this Industrial Finance Corporation may or may not take into account. It is for that purpose that a general direction, as may be contained in the Planning Commission's Report or as may be issued from time to time by this House must be observed by this Industrial Finance Corporation, which, according to me, is the Central Financial Agency so far as the private sector is concerned.

Shri Tyagi: I agree.

Shri Gadgil: I do not agree with some of my friends that no advances have been made to smaller industries. We must have a sort of decentralisation in the financial field also. Let this Finance Corporation, as it is sponsored by the Central Government, look to bigger and key industries, I would put it that way. Let the State Finance Corporations which we contemplated under the legislation that we passed a few months ago look after the middle sized industries, and let the co-operatives look after the cottage or small scale industries. The whole financial arrangement could be built up in this way.

Lala Achint Ram (Hissar): Question. Why could not the Central Government itself look after the smaller industries?

Shri Gadgil: That is very difficult from the point of view of management, and especially when we are anxious that there should be an economy in this country in which there is no concentration of industries in any particular area and there should be many small industries set up, therein, central direction is difficult. Unless you follow the method I have suggested, you cannot solve satisfactorily the problem of unemployment. Therefore, from the point of view of management, supervision and direction, I very honestly and humbly feel that if these industries are left to be financed by co-operatives, it would be more in the interests of the country as a whole than as the hon. Member suggests. Of course, the bigger industries will be left to the State Industrial Finance Corporations and the biggest key industries would alone be left to the Central Industrial Finance Corporation.

Shri B. Das: I agree with you.

Shri Gadgil: In the course of the discussion, we have seen that the provisions of this Bill are not attacked and on the other hand we could see a fair measure of unanimity. What was attacked was the working of this Corporation. When my hon. friend the Finance Minister has stated that if any case is brought to his notice he will look into it, and when he has informed us that he accepts the proposition of parliamentary responsibility, I think we should leave the matter there. As regards the disclosure of names, there is no concealment at all there. All these advances are made to public joint stock companies registered under the Indian Companies Act and we can have copies of their annual statements of accounts from the Registrar of Joint Stock Companies. So, there is nothing confidential or secret about it. What appears to be the case is, as I understand it, that taking a somewhat delicate view of the responsibilities of the Corporation, the hon. Finance Minister, Shri C. D. Deshmukh, gave an answer that disclosure would not be correct, but since the Prime Minister has given us an assurance that the whole matter would be reviewed, I think a saner attitude could not be imagined. What I suggest is that working of the Corporation must be occasionally scrutinised. We are told that Government earn interest on this, and they also earn by way of tax. I am reminded of a story. A boy failed in the examination I ask him why, and he told me. "But I have got a good many marks for hand-writing." I told him, "My dear fellow, that may be so, but you have failed in the examination." So, people's saying that Government are earning something by way of interest does not contain much point. The bald point remains that although the working of this Corporation for the last four years has been satisfactory—and I accept that proposition from my hon. friend Dr. S. P. Nehru—I am led into this mistake, because of what happened at Sanchi where Dr. S. P. Mookerjee and Pandit Jawaharlal Nehru were so much together. So, unconsciously I have said like this, but do not read any further meaning into it. Now, the point is that the Government had guaranteed and given about Rs. 27 lakhs in the course of the last five years and that is all the more reason why we should exercise a greater and more vigilant care and control over this Corporation. So far as the provisions of this Bill are concerned, I think most of them are good. We must take away the limit. I would also ur[illegible]or the consideration of Government that the reserve as it is is not enough. I sholud like to build a bigger reserve. If they build a reserve of Rs. 30 or 50 lakhs, it would redound to their credit. As far as disclosure of the names of those who have taken loans is concerned, what I want to point out is that if their names are published on the floor of this House they will benefit and not lose. Their credit will go up and not go down. Therefore, it is a matter for Government to think about. In view of the two assurances given by Government,—firstly, that the responsibility of Parliament remains and secondly, that they will take every step when an irregularity is pointed out—I think the House should not spend any more time on the consideration motion but should immediately proceed to the clauses.

Shri Sarangdhar Das (Dhenkanal—West Cuttack): I have listened very carefully to all the speeches and I do not wish to take up more time if I can help it, because I know that many other members want to speak about their own regions. I shall confine myself to my region, *viz.*, Orissa. It is very nice of the hon. Minister Shri Tyagi to have written to the Chairman of the Corporation and got a reply from him that there are two cases in which the Chairman is himself interested and that these two firms have been given loans. As an hon. Member who spoke some time ago said from this side, what we want to know is whether the Directors have any relations or friends who are interested in certain firms and whether these firms have asked for and obtained loans.

Now, Sir, at the very outset I would say that Orissa is industrially a very backward region. In 1945 or 1946, two textile mills were registered. Since a convention is being observed here of not mentioning the names, let us assume these two mills to be A and B. The company A had a capital of over Rs. 1 crore and it had collected about Rs. 23 lakhs through public subscription. Then it got the Orissa Government to take shares worth Rs. 16 or 17 lakhs and give a loan of about Rs. 30 or 35 lakhs. Some time thereafter, it approached the Industrial Finance Corporation and got a loan of about Rs. 40 or 50 lakhs—I think it was a couple of years afterwards. Now this company, with Rs. 23 lakhs of its own money, was able to get from the Orissa Government shares worth so many lakhs and loans worth Rs. 30 or 35 lakhs. Naturally, the Orissa Government would have taken the security of its assets—whatever those assets were at that time, but a couple of years afterwards, the Industrial Finance Corporation also gave a loan of Rs. 40 or 50 lakhs. So, out of its authorised capital of Rs. 1 crore and a quarter this company had only Rs. 23 lakhs of its own money and about a crore of rupees was Government money,—Government of India's and the Government of Orissa's. After all the Government of Orissa does not bring this money out of its revenue. It took out of the funds that the Central Government had granted or loaned for industrial development. So, the whole money is of the Government of India.

Shri Tyagi: I am sure the Corporation must have taken the first charge over the assets of the company.

Shri Sarangadhar Das: I should like to know from you and from business friends here how it is possible for the second creditor to take mortgage of the property. If the first creditor had already taken mortgage of the property, how is it possible for the second to take, because the first lien will be of the Government of Orissa. Now, there is some argument that the Industrial Finance Corporation loaned this money on anticipated production. I may ask, what happens if the mill for some reason or other does not produce.

Shri Mohiuddin (Hyderabad City): On a point of information. The hon. Member said that the Government of Orissa had purchased shares. Did the Orissa Government purchase shares, or did they give a loan?

Shri Sarangadhar Das: They did both. They purchased shares worth Rs. 15 lakhs and advanced loans to the tune of Rs. 35 lakhs.

I was speaking of mill. The Government of Orissa carried on propaganda at the time that it was a mill of the Oriyas and the Oriya people would get coarse cloth very easily. I am sorry the hon. Minister of Commerce is not in his seat, but he should be aware that quite a good quantity of coarse cloth is consumed in Orissa and under control, Bombay and Ahmedabad were not supplying us the coarse cloth required by us. We were told that this Mill would supply all the coarse cloth required by Orissa and then whatever surplus remains would go outside the State. But when the Mill started production somewhere about 1950 there was no cloth available in the Cuttack market. The cloth was going all over Calcutta and Singapore—fine and superfine cloth. So, Orissa after paying all this money and the Government of India's money, did not get the cloth.

Then some of our friends had talked about monopoly capital.

Dr. S. P. Mookerjee: What about B? You talked so much about A.

Shri Sarangadhar Das: B, I do not know whether it had applied to the Industrial Finance Corporation for a loan or not. I presume it had. Anyway it did not get it and it has not yet gone into production. I do not know what its condition is now. Consequently A became a monopolist and wanted to distribute its production as it pleased and not supply the needs of Orissa.

Then mill A started a distributor firm, composed of the political proteges of, well—I do not know how to express it—of that ring or Ohio gang I mentioned the other day. One of the ex-Ministers is a salaried employee in that distributors' firm. One ex-Speaker is also a salaried employee of that firm. One ex-Member of this House—of the Provisional Parliament—is also there.

Now I come to why it is that A is too much favoured. The Managing Director of Mill A is a very near relation by marriage of the Chairman of the Finance Corporation. Now it is for this reason that we want a complete disclosure of the names of firms that applied for loans, and got them or did not get them. If we had that information of these two companies, we could see which was the more deserving one and should have got the loan. Without the full information at our disposal it is impossible to say.

Shri Tyagi: My friend has more information than I have.

Shri Sarangadhar Das: Yes, Sir. I have information. So have many others in this House. Because you do not disclose names of firms that apply for loans and get loans or do not get loans, so that we are able to discuss everything freely and completely, I am pointing out that in this case there has been nepotism; there is an attempt on the part of people who manage this Corporation, who direct this Corporation, to create new vested interests. People who had nothing, or who were industrial managers somewhere in a factory have been turned into persons worth many lakhs of rupees. And incidentally I would also say that this monopoly—

[Shri Sarangadhar Das]

extends not only to that relation of the Chairman. but also to our old friend who had taken permits from the Central Government, that I spoke of the other day. He is the man who is favoured by the Government of Orissa from the beginning and the Congress Government and the Orissa Government have helped him by investing money in all sorts of enterprises. For instance, Rs. 6 lakhs were given for research on a scheme of synthetic petrol from Talcher coal, from the soft coal produced there, about which I had asked a question some time ago and never got a satisfactory reply. Then there is the refrigerators in which the Orissa Government have invested money. Also recently they have given a bank guarantee—I do not know what it is called,—a guarantee to a bank for a loan of Rs. 10 lakhs. I presume the Orissa Government is not flushed with money as it was two or three years ago and consequently some bank wants to advance money and the Orissa Government stood security. In the Hirakud Dam project this gentleman is a contractor, calling himself a Construction Company, and has a contract for earth work for a crore and a half for building a huge dyke. About this I have asked for information from Government. I have not got it yet. Anyway the matter is this that we are creating new monopolies not to speak of the previous houses of so and so (three or four concerns). New people are coming in and yet in the Five Year Plan it is being advertised that the intention of the Plan is to bring down the disparity between high incomes and low incomes. This is the way Government is implementing all the pious wishes mentioned in the Five Year Plan, or any other. I wish the Government benches, particularly the Finance Minister and his Deputy, to bear this in mind that this way of avoiding questions will not do any more. You can get the Prime Minister to come here and smother all discussion by saying that some promise has been made to the loanees that their names will not be divulged. But how is it possible for us to discuss it with reason and find out if even the Ministers themselves had not been guilty of wasting money? How can we do that unless we have all the facts before us?

Then I cannot say about other regions or other firms who have taken money from the Corporation. But I also wish to impress this on Government that inasmuch as you are financing these new companies, or old companies, to the extent of twenty or fifty lakhs or one crore of rupees, in various ways, why is it that you do not nationalise these industries so that the tax-payer will get something out of it and the cloth and yarn will be available in Cuttack and all over the districts of Orissa instead of in Calcutta and Singapore. This is a proposition which the Government always avoids and says: we do not have money enough for nationalisation. But here, in these middle-sized concerns that are newly started without any proper capital to function, you invest nearly a crore of rupees, probably without full security—that, I am not so sure of. You might as well take over the company and manage it. This is my plea for nationalisation of concerns where you invest a large proportion of the capital required. If it is a matter of a loan of Rs. 10 lakhs to a company that has one crore or Rs. 50 lakhs of assets, I would say that it is help to the company to tide over any difficulties which they may have. But to go and finance a company completely with capital and leave it in the hands of the private sector, to allow one man or two men to become Lakhpathis, (*Shri S. S. More*: Crorepathis) yes, some day they will be (*An hon. Member*: They already are) and in this way to monopolise the production and distribute it according to the whims and caprices of the members of that firm of distributors, is certainly a most reprehensible thing. which any Government, whether here in control of the Finance Corporation, or in the State, should be ashamed of.

At the same time I am quite conscious of the fact that the Finance Corporation should help and finance lines of production which do not exist in this country, and not go in for sugar, for instance! I know, sugar was my subject; I was concerned with sugar till the fiftieth year of my life. Now, one day we are told that there is somewhere about 400,000 tons of surplus sugar that cannot be sold. Because, the price of Indian sugar is so high that it cannot go into the world market. Under such conditions what led the Finance Corporation to give a loan of Rs. 90 lakhs or somewhere near a crore of rupees to one or more sugar companies or whatever they might be?

There is another aspect. This whole sugar industry is in the wrong place. It should be moved down south. But instead of doing that, you say that it will need crores of rupees to dismantle the factories in North India and to take them over and re-erect in South India. Under these conditions you are again investing a crore of rupees in North India—I presume that it is in North India; if it is in South India I will be happy. But anyway, this other aspect remains, namely, when there is such a glut in the production of sugar what was the necessity of giving this loan? And I should like to know from the Minister when he replies, whether this loan has been given to modernize some of the sugar factories or to put up new ones. That would be something at least to our credit side.

Now like one of my friends on the other side, namely, Mr. Khandubhai Desai, I want to mention one thing. My friend Mr. Tridib Kumar Chaudhuri had made a very excellent analysis of this amending Bill; with almost all of it I agree; but when he talked about "Anglo-American imperialism" with reference to the loan from the International Bank, I could not swallow it. (*Dr. S. P. Mookerjee*: Even with sugar!) It seems to be in vogue for some of our friends in season and out of season to talk about Anglo-American imperialism. I do not see any imperialism in it. Imperialism it was of the British, or of the French, or of the Dutch as they had. (*An hon. Member*: They are all here). But if they are all here, you are responsible for keeping them here. (*Dr. S. P. Mookerjee*: The Chairman?) The Government. We do not want foreigners to man the industries. But when you talk of imperialism I will say this. I do not want this to go unchallenged, and that is why I am mentioning it.

Mr. Chairman: Is the hon. Member likely to take some more time?

Shri Sarangadhar Das: Yes, Sir.

Mr. Chairman: The subject-matter under discussion is certainly very important. There is no doubt about it. But then I find that there is not so much opposition to the principle as to the fact that some disclosures which some people wanted with respect to the names, have not been made. I am not at all taking one view or the other, nor can I do so. But what I say is this. We have been discussing this measure from the 25th November. The discussion started on the 25th at 2-45 P.M.

5 P.M.

It was started on that day at 2-45 P.M. We spent about two hours and fifteen minutes and there were seven speakers. On the next day, I think, Dr. S. P. Mookerjee started his speech. I think another Member also spoke—Mr. Gurupadaswamy and we spent about an hour and a few minutes more on that day. Today, practically the whole day, we have been discussing this matter and in the evening the hon. Minister gave some information which he thought it was possible to give to the House. I would like to ascertain the views of the House. It is not desirable that we go on discussing the same thing for days together. It is much better that under Rule 257 we fix a time when this debate must come to an end.

An Hon. Member: One day more.

Mr. Chairman: I want to ascertain the sense of the House.

An Hon. Member: There should be no closure.

Mr. Chairman: First of all I would make it clear that I do not myself like the idea of a closure. In view of the fact that the discussions have taken place for such a long time—nearly 14 or 15 Members have spoken—we should fix sometime tomorrow when the debate should come to an end. I should like to ascertain the wishes of the House.

Pandit Algu Rai Shastri (Azamgarh Distt. East *cum* Ballia Distt.—West): Tomorrow at 5 P.M.

An Hon. Member: The whole of tomorrow may be necessary.

Shri H. N. Mukerjee: My Party's point of view has not been represented. Therefore we must have the whole of tomorrow.

Mr. Chairman: Is it really the intention of the House that it should go on tomorrow?

Several Hon. Members: Yes, Yes.

Mr. Chairman: I have to make it clear that under Rule 257 I have fixed 5 P.M. tomorrow as the time for termination of speeches on this Motion.

Shri Tyagi: May I take it, Sir, that all readings or considerations will be open for tomorrow?

Dr. S. P. Mookerjee: On the motion.

Mr. Chairman: I expected the hon. Minister also to express his view when I wanted to ascertain the sense of the House.

Shri Tyagi: I want to make one submission. I do not feel inconvenient on account of the discussions. I have

[Shri Tyagi]

said I welcome them. They will give me more powers to exercise a better control. These discussions I must say have been quite helpful to me. But my difficulty is that the Delegation in U.S.A. is waiting for the final word from India and I am afraid it will cause us monetary loss and therefore to avoid that, I pray that you may finish tomorrow all the readings.

Several Hon. Members: All the readings!

Mr. Chairman: Under the rule whenever a debate on any motion in connection with a Bill becomes unduly protracted, we can fix a time limit only with respect to the motion before the House and I wanted to ascertain the wishes of the House and the House at that stage agreed that it should end at 5 P.M. There was no opposition.

An Hon. Member: Why not 1 P.M. tomorrow?

Several Hon. Members: 1 P.M.

Mr. Chairman: I have already made it clear that under rule 257 what I can decide is that this Motion shall conclude about the Bill, of course.

Several Hon. Members: 1 P.M.

Shri Tyagi: 1 P.M.

Dr. S. P. Mookerjee: May I make one suggestion, Sir. You asked the House what it wanted. You stopped for a few seconds and you then announced that tomorrow at 5 P.M. the discussion on the motion would come to an end. There should be no attempt now to reopen it. You have given your ruling.

Shri Gadgil: We might dispense with the question hour tomorrow and end this discussion, I mean by 12-45 or 1.

Several Hon. Members: Yes.

Shri Tyagi: There are two proposals.

Mr. Chairman: I am sorry that some Members, particularly the hon. Finance Minister has probably misunderstood me. As a matter of fact, under the Rule, my power is only confined to the motion in question. I think, therefore, a few hours more on the day after tomorrow will not matter much. I made that motion in that spirit and I think we should rather agree.

MESSAGE FROM COUNCIL OF STATES

Secretary: Sir, I have to report the following message received from the Secretary of the Council of States:

> "In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Council of States, I am directed to return herewith the Bill to provide for the levy and collection for a temporary period of an additional duty of excise on sugar, which was passed by the House of the People at its sitting held on the 20th November, 1952, and transmitted to the Council of States for its recommendations and to state that the Council has no recommendations to make to the House of the People in regard to the said Bill."

The House then adjourned till a Quarter to Eleven of the Clock on Wednesday, the 3rd December, 1952.